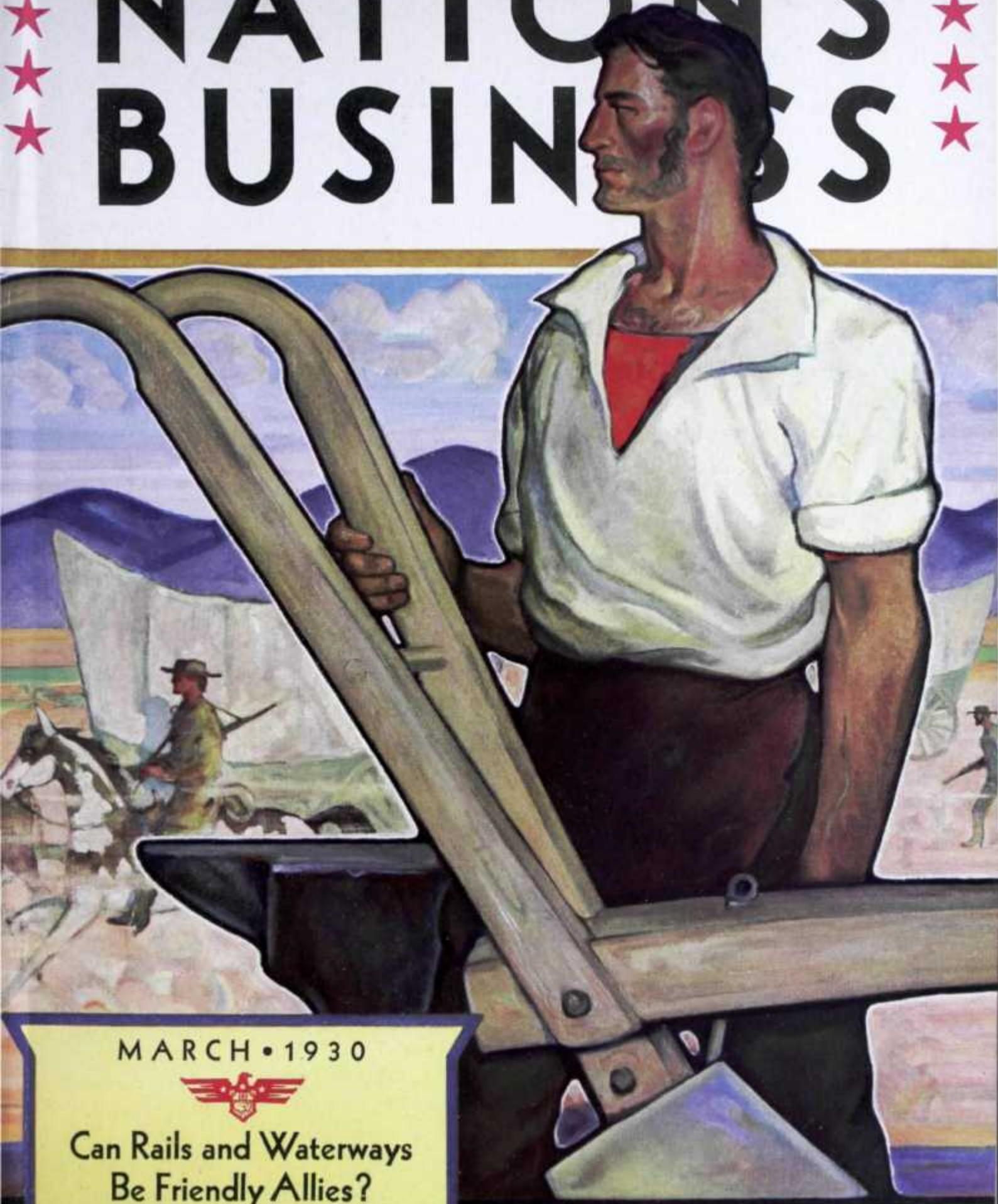


NATION'S BUSINESS



MARCH • 1930



Can Rails and Waterways
Be Friendly Allies?

COVER • The Farm Implement Pioneer • Page 6

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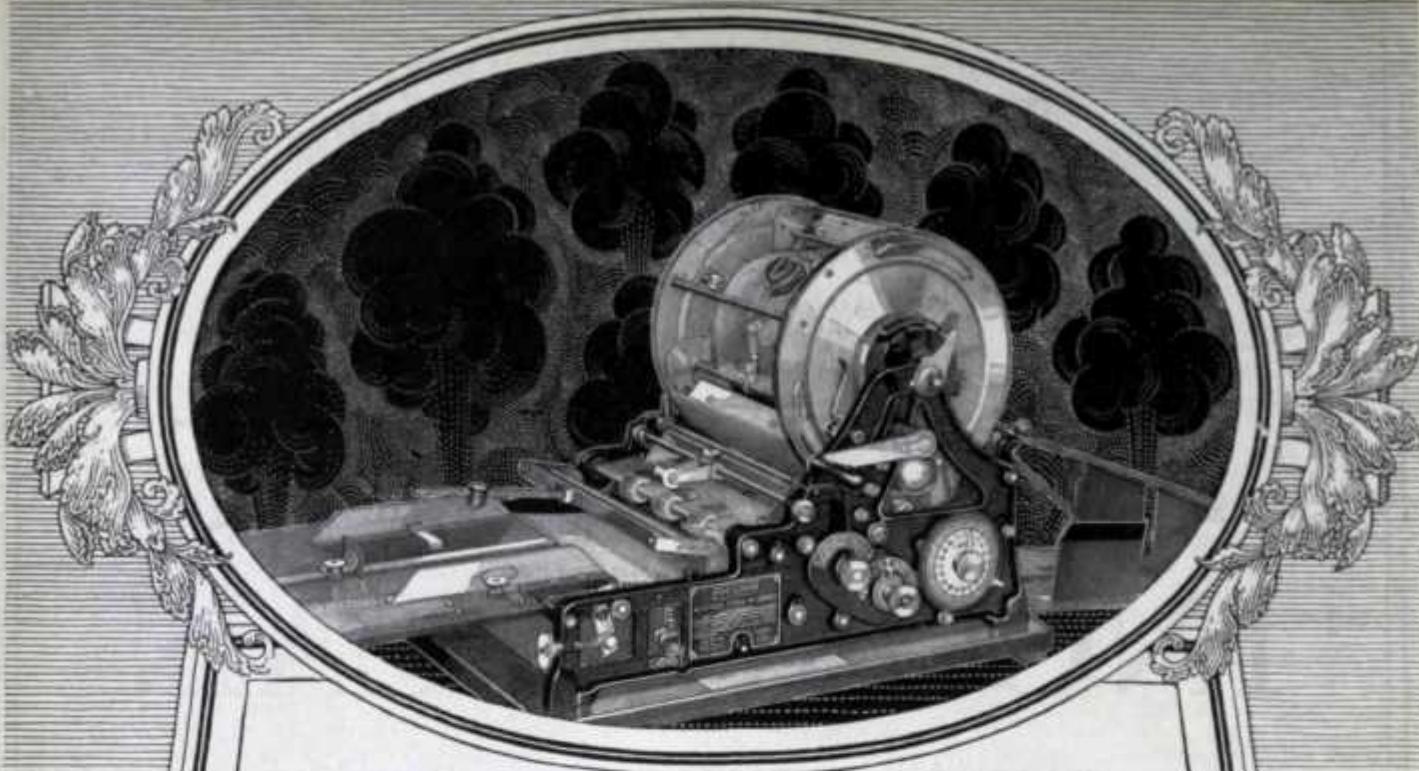
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Income to _____
start at age _____

Business Address _____

Home Address _____

Your date
of Birth _____ Date of Birth
of Beneficiary _____

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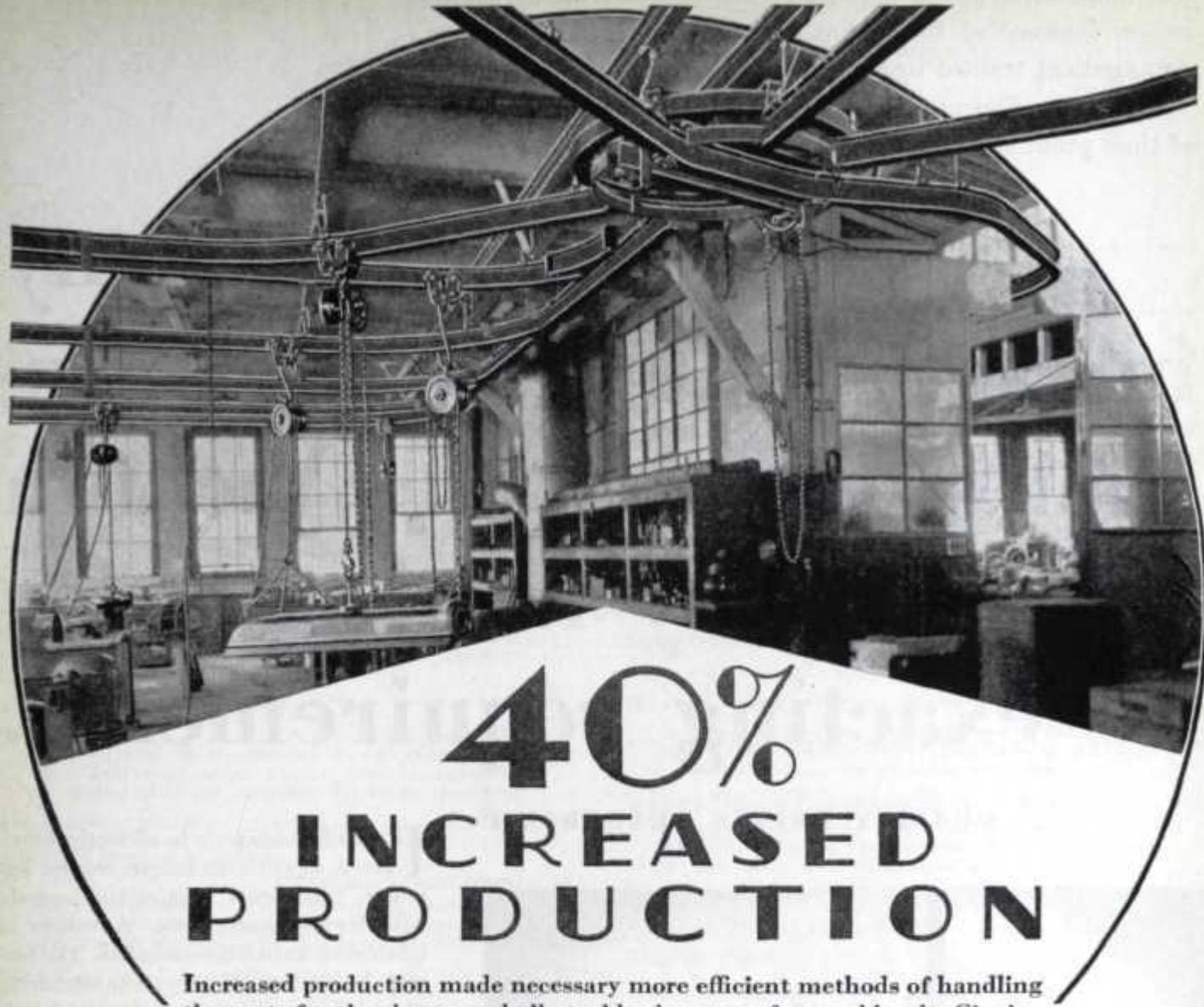


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40% increase in production for the Cincinnati Shaper Company must be credited to R-W Engineers who evolved a handling system that is most efficient as well as economical of time and labor, which means a saving in money.

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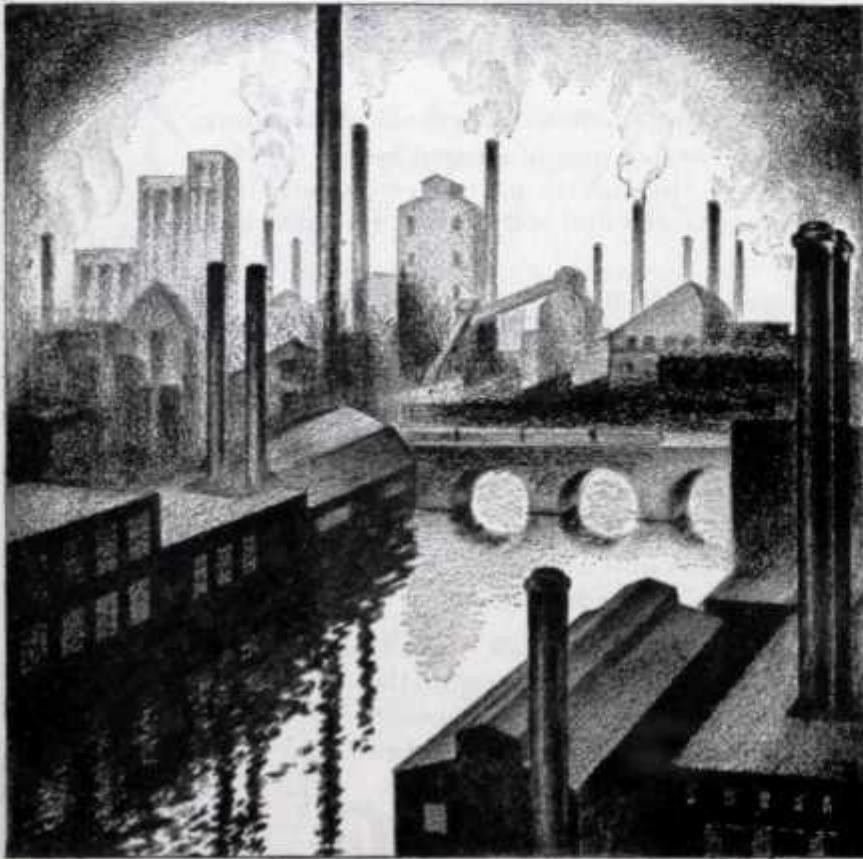
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* These 26 leading industries and the largest company in each, were selected according to the figures of a leading New York statistical company and do not include oil companies.

NATION'S BUSINESS for March

VOLUME 18

NUMBER 3



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As the official magazine of the National Chamber this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers.

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In the April Issue

AS grocery editor of the New York *Journal of Commerce*, H. M. Foster is in a position to study all phases of the food industry. Recently he has been examining the difficulties which beset this industry. He has incorporated his findings in an article for the April NATION'S BUSINESS. We challenge you to read it without astonishment and a growing sympathy for your grocer.

Ours is not a fiction magazine, but when Ralph Mooney submitted a colorful account of a salesman's adventures in a mythical South American republic the editors could not let it get away. The events are imaginary, but sales managers may find a moral in them.

W. T. Grant, chairman of the board of the W. T. Grant Company, is already known to NATION'S BUSINESS readers as a man who dares to put his ideas on paper, whether or not they conform to established lines of thinking. In the April number he will set down his views on the relationship of chain stores and manufacturers.

THIS MONTH'S COVER

Painted by Charles Dunn

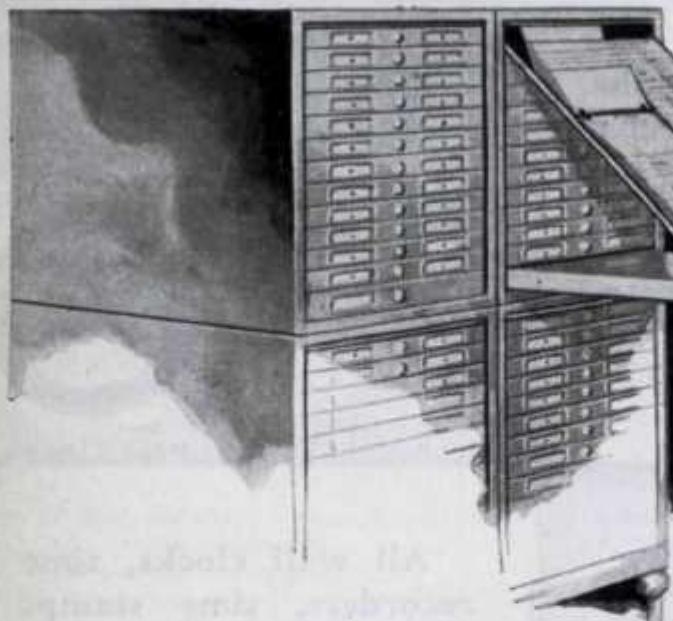
LONG trains of emigrants surged westward, winding their dusty way across the prairies, seeking timber lands in which to grub out new outposts of a nation. Nobody stopped on the prairies. Their lush fertility beckoned, but the wise homesteaders passed on. They had learned that their clumsy plows would not furrow that tough soil.

But in Moline, Ill., then a straggling village, were other pioneers. As the distant West challenged the emigrants, so the prairies challenged these early blacksmiths—challenged them to fashion with their hands a plow that would conquer those stubborn acres.

The scoffers jeered. Only a steel plow could do that job and there was no steel closer than England. But the Pioneer Plow Makers were as stubborn as the acres they were sworn to conquer. They needed steel and they got it. The first rolled steel in this country was made at their order.

And from it they forged plows that made those prairies the world's garden. Their names do not appear in the romances of that epic western settlement. But in the flickering light of their forges they shaped the destiny of the prairies. This cover is dedicated to them.

"It all gets back to Earnings, John"



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PROFIT BUILDERS OF MODERN BUSINESS

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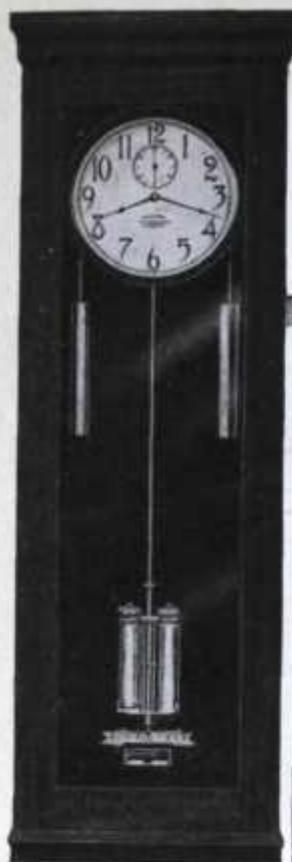
N.B.I.

Without obligation on my part, you may send me your book, "Profitable Business Control."

Have a systems man call for conference.

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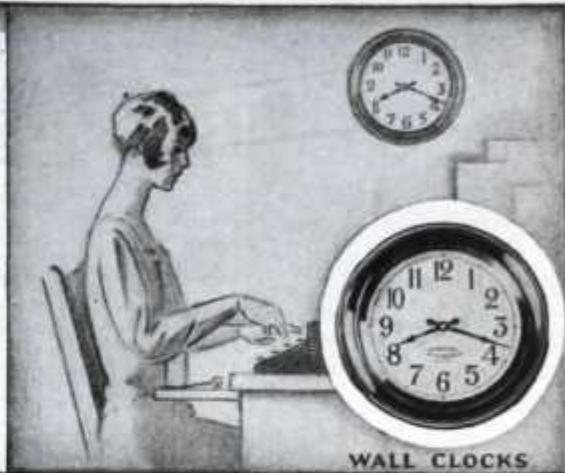


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When Reason Takes Wings

RADICAL changes in age-old ideas of popular government appear in startling doctrine emanating from Washington. The Anglo-Saxon blinks his eyes and only by harking back to King John can he get his bearings. A senator is examining a witness before the Senate Lobby Committee. Here is the colloquy:

THE SENATOR: Ought anybody to respect a law that was bought?

WITNESS: Certainly not.

THE SENATOR: Then why should the public have any respect for a law that you buy?

WITNESS: We are not buying a law.

THE SENATOR: You said you are trying to influence public opinion with your money.

WITNESS: But we are not trying to buy legislation.

THE SENATOR: Is there any difference so far as good and morals are concerned in paying out your money to change public opinion so that opinion may be reflected in legislation which will put money in your pocket and doing what put Mr. Fall in the shadow of the penitentiary?

WITNESS: I think there is a great difference.

It is a heinous offense then, for an American citizen to hire a hall to agitate for the establishment of right or the correction of wrong. No more public discussion. Minds once made up are fixed for eternity. Democracy, with its give and take, flies out of the window, and from legislative action we have no appeal. The legislator becomes an autocrat and the repository of all knowledge. Only he, through the use of government frank and the wide publicity which his title gives him in the press, can be trusted to undertake the formation of public opinion.

Vox populi requiescat in pace!

From another building in Washington at about the same time comes another echo of the Middle Ages. The Federal Trade Commission has for eighteen months been telling us that the utilities have been spending money to get their case to the public.

At last the utilities were told they might have their inning. They at once offered to show the extent of the unfair and libelous

propaganda which was conducted against them and which they felt justified in self-respect and in self-defense in meeting by presenting their facts to the public.

But the Commissioner holds up his finger, objecting:

"That cannot be admitted," he says.

In other words, when the gist of the charge is that the utilities have spent an unreasonable amount to get before the public the facts as they honestly see the facts, they are told that the extent of misrepresentation of their industry which others have placed before the public is not material.

Eighty-eight exhibits purporting to show a deep-laid plot on the part of a few men to bring about political operation of a great industry could not be introduced.

Perhaps we must become adjusted to these Modern Times. If a bill is introduced to take away our rights, there is no alternative. Like meek-eyed oxen we must submit to the yoke.

If we send out letters, paying postage on them, to the masters of our public "servants," we are buying a law.

If we approach our public servant, that is an even worse offense—lobbying.

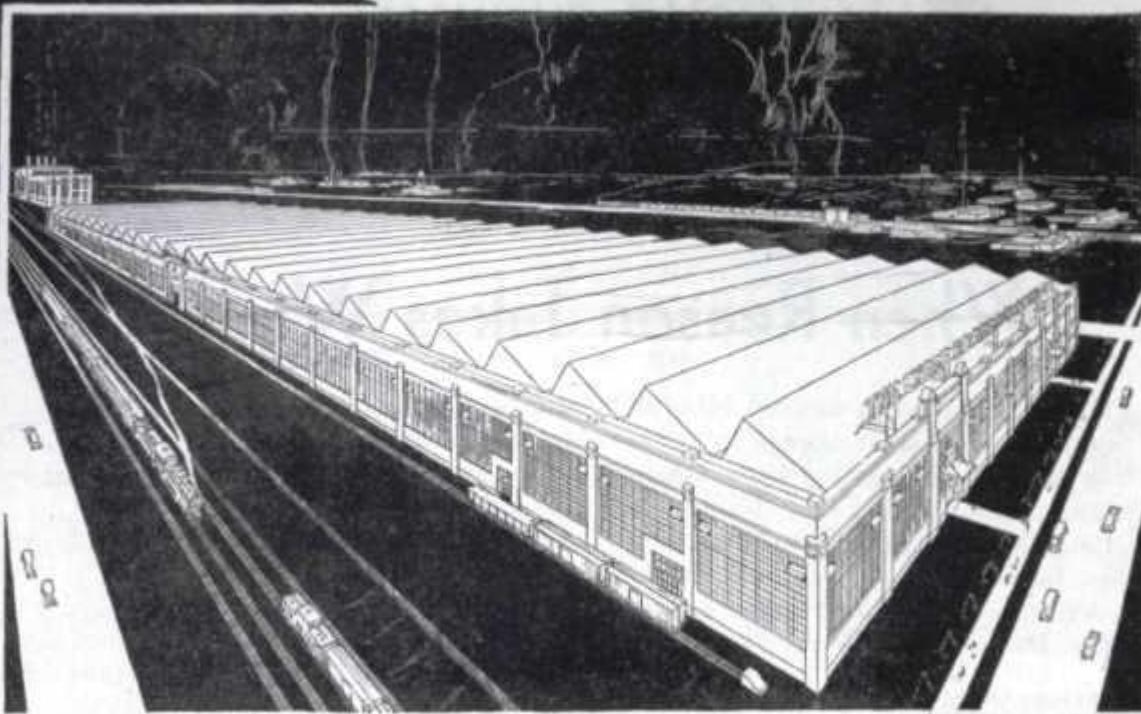
If we are hauled into the police court for punching a fellow citizen on the nose, we are estopped from informing the court that said citizen first spat in our eye.

Perhaps this criticism of our public servants is treason. We may be called, as were other critical citizens, before the Inquisition. If so, we shall quote Henry Watterson, who was lambasted by the Governor for criticizing his administration. Marse Henry sadly replied:

"Things have come to a heluva pass
When a man can't cudgel his own jackass."

Merce Thorpe

First unit—1000 x 475 ft.—of new Mid-West plant for The Chase Brass & Copper Co., now nearing completion. Design, construction and equipment by Austin.



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NATION'S BUSINESS



Published at Washington by the Chamber of Commerce of the United States

MERLE THORPE, Editor

As the Business World Wags

THUS WE MAY SEE, QUOTH HE,
HOW THE WORLD WAGS—*As You Like It.*

**Clemency or
Justice?**



FOR months the Federal Trade Commission has been listening to a mass of testimony aimed at the electric light and power industry.

Not long ago the utilities were allowed to talk in their own defense and one of the first things their counsel did was to say in effect:

"You have been told that we spent from \$28,000,000 to \$30,000,000 a year. That's not true. We didn't spend any such sum. We spent only \$13,000,000 and that's only two-thirds of one per cent of our gross income. Why we don't spend nearly as much of our income as automobiles or paints or foods or furniture."

But why, oh why, should the power and light industry, or any other industry approach the Federal Trade Commission and say:

"Please, sir, we aren't as bad as we're made out to be. We didn't spend thirty million, we spent only thirteen. And there are others worse than we are."

Perhaps the trouble with the utilities is that they don't advertise enough. Perhaps they have goods to sell that call for the spending not of two-thirds of one per cent of their income but of one per cent.

But for heaven's sake, why should the utilities or any other industry talk as if advertising expenditure were something of which to be ashamed?

The truth is that it is as wise and as legitimate to buy advertising with which to sell electricity as it is to buy coal with which to make it.

But business is afraid to stand up and fight.

**Ethics and
Good Business**



HAVING scolded business for its timidity let's scold it for its hypocrisy and protest once more against the abuse so common among business men of the word "service."

The primary purpose, the proper purpose, the right purpose of business is to make money. A business that isn't making a profit isn't much of a business and a

business that isn't planning to make a profit isn't a business at all.

Why should business be so afraid of the profit motive, so prone to prate of "service," as if the end and aim of business were to do good to others?

**Not a Black
Bottom Either**



wide quest for a statistical abstraction—the bottom of the curve measuring the trade recession."

In short we're all playing "bottom, bottom, who's got the bottom?"

**What Interests
Business?**



THE responses to the radio talks which the National Broadcasting Company has been conducting with the help of this magazine and the United States Chamber of

Commerce are furnishing effective proof of two things:

That the business man is interested in business; that he will listen to business discussed by business men and, to make an Irish bull, that in intelligence the average business man is probably above the average.

Neither of these assertions comes as a surprise to the readers of NATION'S BUSINESS. The more than 320,000 readers of this magazine are proof that business men are eager to know more about business.

But in what phases are they chiefly interested? Here the radio talks furnish an interesting commentary. There have been thirteen of these Saturday evening talks and they have brought more than 5,000 letters to this office.

Taking the letters as a guide, what subjects interest the business listener? These two: the Stock Exchange, why it exists and how it works, and the problem of individual business facing the growth of chains.

A great editor once laid down a mathematical law for the value of news. Said he: "The value of news is

inversely as the square of the distance from where it happened. A fire in one's own house is tremendous news; next door still good news, in China, no news at all."

And so it is with the business men who listen to radio talks on business. Mergers, chains, the stock exchange, these seem to them close and understandable and they respond more readily to them.

**Passengers
by Air**



IT WAS a gloomy picture of passenger travel by air which the Postmaster General drew at Cleveland recently. Said he:

But the experience of all (air passenger lines) in 1929 was substantially the same. With a paying load of only 16 to 40 per cent of capacity, all closed the year with operating deficits so great the very life of the passenger transport industry today is in the balance.

Some one may rise to challenge the accuracy of Mr. Brown's reporting, but what he says is probably true of a very large number of passenger air lines.

He has a reason—and a remedy. The reason is that we went too fast. The public was provided with facilities for long distance flying before it had ever been off the ground.

Not a bad fault, going too fast. An able economist once said to this writer that America's material progress had, he thought, been expedited rather than delayed by the alternation of rapid growth with shorter depressions. The same thing may be true of air travel. We had to have a period of rapid development. We probably built some railroads before we were ready to use them.

What's the remedy? A new kind of air mail compensation with "fixed rates per mile for definite weight-spaces, the base rate not to exceed \$1 per mile for 1500 pounds of mail capacity."

That's the Postmaster General's answer to his own question: "Can the air passenger carriers hold out?"

**Plus
Values**



RECENT press dispatches relate the story of an unusual civic combination in the person of the Rev. John S. Brockmeier, of Venice, Illinois.

About four years ago the Rev. Mr. Brockmeier, who is described as a diminutive, fire-eating Catholic priest, went to Venice to be Assistant Pastor of Saint Marks Church.

At that time he didn't mind admitting that he entertained a very low opinion of the place. Shortly the opinion was reciprocated. The people of Venice looked upon him as a trouble making, caustic cleric.

But in a short time Venice and the priest discovered each other. He found that it had good citizens and civic opportunities. They found that the little priest, in addition to a scorching tongue, had an infinite capacity for work. He did not stop with berating the merchants about the condition of their main street and scolding them about their merchandising methods. He browbeat them into organizing a chamber of commerce, of

which he became voluntary secretary; secured another gas company; lashed the city fathers into the building of a new city hall; organized a night school for the partially schooled young men of the city—and so on, through a formidable list of civic achievements.

"What of it?" you ask. This is not the first public spirited preacher. Here's the whole of it! He has now been transferred to another parish, and the people of Venice, both Protestant and Catholic are up in arms, and have organized a motor caravan to go to Springfield and demand of the Bishop that he return the Rev. Mr. Brockmeier to his former post.

There's a lesson here in the plus value of community service. Everybody knows about its practical value—about getting things accomplished, moving forward, making "progress." That theme is threadbare.

But such service has a plus value over and above what it actually achieves in a physical way—a plus value in the form of civic inspiration; in the wiping out of pettiness, small jealousies, and bigotry.

**All Things
Are Possible**



THE Bureau of Agricultural Economics of the Department of Agriculture issued the other day some advice to farmers for the current year, which included this prophetic vision of the industrial future:

While it is possible that there may be a temporary recovery followed by a further decline, it is also possible that the recession may continue several months more, though with a slower rate of decline, or else that the bottom may already have been reached.

It is also possible, but doubtful, that something might happen that is not covered by this prophecy.

**The Old Laws
Worked Again**



AT TIMES philosophers arise to tell us that a new era has come into being to which old economic laws do not apply. The capable financial editor of the *New York Times* doubts that a new world has been born and sets forth these proofs which are well worth reprinting:

1. That this was a new economic era, to which old economic precedent no longer applied. Old precedent has been repeated in practically every particular.
2. That exorbitantly high Wall Street money rates are unimportant, if Wall Street pays them willingly. Nine per cent time money is now seen to have been the warning of the coming storm.
3. That the \$4,116,476,000 increase in brokers' loans since 1927 was a result, not of speculation but of new industrial security issues. In the two months after last September, the stock market's purely speculative liquidation cut down brokers' loans \$4,532,885,000.
4. That normal stock market valuations need not be "ten times earnings," but may be "fifteen or twenty-five times." Prices adjusted to the second theory were forcibly reduced one-half after September.
5. That 50 or 60 per cent margins meant a perfectly safeguarded speculative market. More margins had to be closed out in the autumn crash than ever before in history.
6. That loans to brokers by individuals and companies, which increased \$2,000,000,000 between September, 1928 and the 9th of last October, were a safe and sound substitute for loans by banks. The "loans by others" were cut down \$1,359,000,000 in the single week of the October panic, while New York banks

expanded their brokers' loans \$992,000,000 to deal with the emergency.

7. That the Reserve Board's repeated warning against indirect diversion of Reserve Bank credit into Stock Exchange loans was an attack on the stock market unwarranted by conditions. All bankers now agree that the Reserve Board's policies prevented an utterly disastrous credit crisis and warded off calamity from industry.

A Reason For Mergers?



to concentrate management ability—all these and others have been listed.

One cynical observer of business asked to explain the rush of consolidation in 1929 gave two main reasons: "vanity or the desire to be big and the hope of unloading new securities." No need to accept these as causes except in rare instances. Perhaps, however, some mergers have been put through to save weaker sisters in an industry. It is that which has given currency to the word "leaner," to describe a business which, hardly able to stand alone, may survive by leaning on another and stronger industry with which it is merged.

But isn't there another motive in some mergers, a feeling that there is a need to meet mass with mass?

Take our great food chains, Atlantic & Pacific, Kroger's, the Safeway Stores. Each of them reckons its units by the thousands. Was there some recognition of their strength in the recent organization of such manufacturer-mergers in the food industry as General Foods and Standard Brands? If Kroger's is buying chocolate, can Hershey talk more effectively, if Kraft Cheese and Palmolive-Colgate are linked with Hershey?

Faith In America



THE phrase "Don't be a bear on America" is widely quoted and not uncommonly attributed to the head of the banking house of J. P. Morgan & Company.

An inquiry came to NATION'S BUSINESS the other day from the librarian of the Chicago *Tribune* to ask if we could give the right form and the author of the phrase.

From one long associated with the Morgan house came this answer to an inquiry:

The quotation to which you refer belongs really to Mr. Junius Spencer Morgan, grandfather of the present head of the house. He was a New England merchant, who was invited by the late George Peabody, also an American, to join his London house. As near as I can determine he used the expression then in vogue and it was approximately, "Never sell a bear on the United States." The late J. P. Morgan also used the expression, probably modernized, but he was quoting his father.

So the phrase goes back to the founder of the house. It is worth writing that three generations of a great American banking family have held the faith that Junius Morgan laid down.

If Politicians Ran the Lunch Wagon



WILL B. JOHNSTONE IN THE NEW YORK WORLD

"Nearly thirty commissions, many of them investigatory in character, have spent more than \$500,000 in New Jersey during the last two years, not including those permanent commissions created by the Legislature."—New York Times

Longer Life: For What?



TWO addresses made at the recent meeting of the Association of Life Insurance Presidents ought to be read together. One was by Irenée du Pont, who besides being a great manufacturer is a director of the Equitable Life Assurance Company; the other was by Frederick H. Ecker, president of the Metropolitan Life Insurance Company.

Mr. du Pont wanted the life insurance companies to set aside a fraction of their trust funds to finance a great research bureau to lengthen human life. Had the work been started 20 years ago, he said, it would have already added two years to the life of the average citizen.

Mr. Ecker urged that life companies tackle the problem of the superannuated worker, and the worker seems now to be superannuated at an increasingly early age. "Writing off the depleted human machine," is the phrase by which Mr. Ecker describes the process.

Mr. Ecker would have this old age or "middle and old-age" pension plan—if we are coming to that—handled by the insurance companies with the worker paying part and the employer—or the consumer if the cost is passed on—paying the rest.

Mr. Ecker was quite sure that a government old-age

pension system is not the answer. In fact not long before he had testified before a New York state commission to that effect.

But there's the picture! On the one hand a plea for the spending of great sums of money to lengthen human life; on the other a proposal to take care of that lengthened life.

One may well imagine a worker—and the case fits white-collared as well as overalled workers—saying:

"Don't bother on my account to lengthen my life. If I'm to be laid off at 40 or 45 or 50, if at that or even a later age I'm to be a 'depleted human machine,' without a possibility of living in comfort, I don't want any more life ahead of me than I have right now."

How Much Gold Do We Need?



measures which were not only ridiculous but tended to impair the efficiency of gold as a monetary gyroscope.

Take the case of Argentina. During 1929 she found it necessary to compensate an unfavorable balance of trade with the shipment of \$112,000,000 of gold. In spite of the fact that this was less than the gain in gold during the two previous years and that the amount left on hand constituted an 82 per cent reserve for the central bank, Argentina became panic stricken and closed the exits of this auriferous stream. The steady outflow of gold was more than the nervous system of the country could stand.

In France, likewise, popular psychology plays an important part in determining the amount of gold which is "necessary." In relation to outstanding liabilities the Bank of France has more than three dollars of gold for every dollar which the Bank of England holds. A fraction of her present supply would suffice for the maintenance of the gold standard. But the Frenchman would never be content with the precarious margin of safety which satisfies the Englishman. He wants his bank to have enough gold so that he can forget about its safety.

The gold supply of the Bank of France must be such that throughout the storm and sunshine of the business cycle it will never be compelled to base its policies upon gold movements.

A Fair Trial Of Course



"Should not business men be willing to give this farm legislation a fair trial?"

They should and they are and proof of that is found in the following paragraph from a statement issued by the Chamber's Agricultural Committee:

"The National Chamber stands committed in favor of the principle of cooperative marketing and to the

creation of a Federal Farm Board. This Committee believes that this Board provides American agriculture with the most powerful and potentially helpful agency yet created for that industry. Its tasks are heavy, its responsibilities equally great. It always should have the benefit of the most constructive thought which American business is capable of giving. For its problems are the problems not only of the producers but of the American people as a whole, dealing as they do with the very necessities of life."

Senatorial Privileges



TO SENATOR COUZENS of Michigan we are indebted for a definition of the functions, opportunities and duties of a United States Senator. The Senate's Committee on Interstate Commerce had before it David Sarnoff of the Radio Corporation and the discussion from communications by wire and air to transportation by rail and inland waterways.

"But, really, is all this pertinent to the question?" asked Senator Glenn of Illinois.

"Everything is pertinent to a Senator," replied Senator Couzens, the chairman of the Committee.

And if everything is pertinent to a Senator then surely it cannot be nonpertinent for a Senator to mix his metaphors and if done, it should be done thoroughly and well.

To Senator Nye of North Dakota goes then the grateful tribute of all who enjoy a well-mixed metaphor. The excerpt that follows is from the *Congressional Record*'s report of the Senator's discussion of grain traders and the Farm Board.

.... I feel confident that the purposes of this troop of pirates in the grain trade, these economic leeches in the Northwest, these barnacles on the grain-marketing ship, will be unhorsed and diverted from their purpose.

We Need Promoters



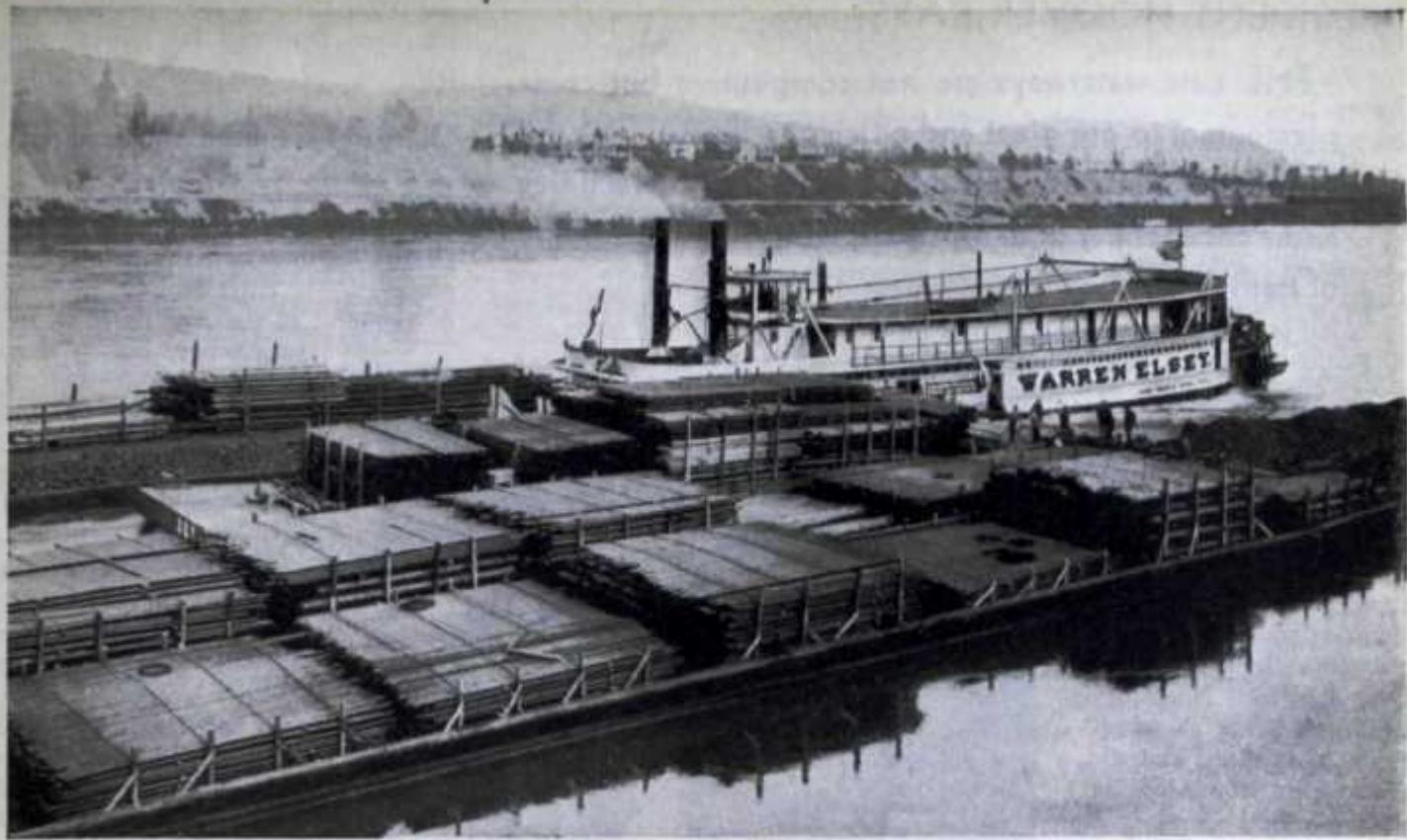
WHY do some words acquire an evil reputation? Why for instance do we brand a man by calling him a "promoter?"

To "promote" says our dictionary, is to "cause to move forward toward some desired end, to contribute to the development, establishment, increase or influence of."

The world has need of men who can "cause to move forward." To have a great idea is one thing but great ideas may be stagnant things without someone to promote them.

No one would question the debt the world owes to Alexander Graham Bell for his work in the invention of the telephone, but how much does it owe to Theodore N. Vail who was not a scientist but who as the Britannica says "actively engaged in the development of the telephone business for which he foresaw a great future."

To the real promoter, to the man "who causes to move forward," to the man who sees the great future, American business and the American people owe a great debt.



COURTESY CORPS OF ENGINEERS, U. S. A.

This tow, being assembled at Woodlawn, Pa., carried 6,861 tons of steel products down river

Is There Room for Both Railroads and Rivers?

By John W. Love

**Our government-improved rivers may bring about
an entirely new set-up for transporting freight**

FIVE members of the cabinet and five presidents of railroads sat at the speakers' table in the biggest banquet Pittsburgh ever held. The heads of the trunk lines were there to felicitate the Pittsburgh district upon the completion of a great new competitive freight transportation agency, the Ohio River. That same river which the same railroads had put to sleep a generation before.

The railway men came because there

seemed to be nobody else to represent freight, and heavy freight was what the revived river was to serve more than anything else. The river of the old days carried passengers and merchandise in floating palaces like the *Robert E. Lee* and the *Natchez*, but the new river, the completely canalized Ohio, is to be the river of steel and all the tonnage stuff of the industrial north. Yet, brooding over the celebration last fall of the nine-foot stage of the Ohio, was the feeling

that some economic formula existed upon which the railroad men and the river men could at last agree.

Now that the Ohio is completed are the railroads any more reconciled to it? A 100 million dollar congressional appropriation has made the stream available to commerce the year round. Private millions have been invested in new river craft and freight terminals.

A new Midwest trade route

THE Ohio is becoming, for its own region, what the Great Lakes are for theirs, the route of vast bulks of low class freight.

In 1928 the steel movement on the

PRESIDENT HOOVER SAYS:

"THE new waterways are not competitive but complementary to our great and efficient railways. It is the history of transportation that an increase of facilities and a cheapening of transportation increase the volume of traffic"

river came to more than 350 million ton miles. Do the railway men agree with the steel makers of the upper valleys that the river is a supplementary transportation system which brings the railroads more business instead of less? Have they embraced, if not all waterways, at least the majestic Ohio? First let us look at the river.

In the year that Edison perfected his incandescent lamp, Congress authorized the first public construction on the Ohio. This was the Davis Island dam, below Pittsburgh, begun in 1879. Engineers had studied the Chanoine wicket system on rivers of France, and they approved it for the Ohio. The Chanoine dam was made up of hinged shutters which could be lowered to the bottom in flood and, with some changes, it remains standard for the Ohio, with two exceptions.

The original river improvement contemplated a six-foot depth, but this was increased to nine before much work was done. In 1910 Congress adopted the project for a nine-foot depth the full length of the river, to be attained by the building of 54 dams and locks. The work proceeded steadily thereafter. The outlay has been 118 million dollars.

The many dammed Ohio

FIRST dams were built in the Pittsburgh district, and by the time construction started in the lower reaches, the works at the upper end were being replaced by larger.

The dams today are numbered to 53, but three of them have been removed and the completion of the Deadman Island dam near Pittsburgh in 1930 will reduce the total to 49.



Steam towboats fill the roles on the canalized rivers that mules once played on the old canals

The Ohio is now a liquid staircase 968 miles long and 426 feet high. Throughout its length, in flood and in drouth, in winter and in summer, its depth is never less than nine feet. It can be navigated all year, except for a few days in spring when the water is too high, or in winter when floating ice obstructs the boats.

Formerly it was navigable only 200 days a year or thereabouts and packets have been known to spend whole summers on reefs.

Except for her expansion engines, the packet boat of today differs little from the design which had been arrived at upon the Ohio and the Mississippi by 1840. Even Robert Fulton, were he to return to Pittsburgh, would recognize in the river craft the descendants of the vessel which he and Robert Livingston and Nicholas Roosevelt launched on the Ohio in 1811. The boiler and the stacks are still where he placed them and noth-

ing better than the stern paddle wheel has been developed for general purposes.

Barges have been standardized

BUT the big tonnage on the Ohio is now carried in shackled fleets of barges pushed by towboats, steam or Diesel propelled. The barge returned with the development of the coal traffic in the last century, but in comparatively recent years it has been adapted to the hauling of steel products. Were it not for the 300,000 tons or more of steel towed the greater part of the river's length, the improvement could hardly be made to pay.

The Ohio River barge has been standardized to 175 feet length, 26 feet beam and 11 feet depth of hold. When it is loaded to the permissible draft of nine feet it carries 1,000 tons. These barges are conveniently assembled into tows, which, with their snubnosed towboats, fit into the locks which pass the dams, each lock 600 feet long and 110 feet wide, the breadth of four barges and the length of three.

The use of the river by the mills of the Pittsburgh district began in frontier days. When traffic was all one way, before even sail or horsepower was used to bring ships back upstream,

the shops of Pittsburgh were sending nails, bar iron and kettles down to Cincinnati, Louisiana and the ports of the Mississippi. Traffic in iron products continued until after the Civil War, but gradually died out in the '80's and '90's. In 1901 the American Steel & Wire Company revived it to the extent of shipping wire and nails by barge down to Memphis. Again it lapsed. But the beginning of the canal program in 1910 kept ever in the minds of Pittsburgh and Cincinnati the belief that the river was destined once more to play a part in the commerce of the Middle West.

The first use of the Ohio in this era for the large-scale movement of steel products was by the Jones & Laughlin Steel Corporation. Its now historic tow left Pittsburgh for the Southwest in the fall of 1922.

The first tow broke through the ring of freight rates which cut Pittsburgh off from the Southwest. A way had been

found to take steel right into territory of Chicago and Birmingham. "J. & L." was followed by Carnegie Steel, American Steel & Wire, Pittsburgh Steel, Weirton Steel, Wheeling Steel, and McKeesport Tin Plate, all of which made up tows of steel products for the Ohio and Mississippi ports, employing either their own towboats or chartering their services. Even the Johnstown plant of Bethlehem and the Youngstown plant of Youngstown Sheet & Tube have lately been using the Ohio. Youngstown hopes eventually for a special rail outlet on the river.

Pittsburgh's new territory

THE whole of Texas is now Pittsburgh and eastern Ohio sales territory. So is Oklahoma, with its market for pipe. Pittsburgh's shipments into the Southwest are mostly agricultural material like wire and nails, engineering material like sheet piling, and semifinished steel, structurals, tin plate, pipe and iron. Pittsburgh cannot sell much east of the Mississippi, where it meets Birmingham, but it ships from the dock at Evansville, Ind., northward until it

meets Chicago, and from Cincinnati up through southern Ohio, and from Louisville southeastward to the mountains. Sales provinces long abandoned, or never entered, now support live branch offices.

The building of barges and towboats is now a substantial industry along the Ohio. Four plants make steel barges in the Pittsburgh district, and the guessed-at 35 million dollars' worth of river equipment launched in the last six years is matched by an approximately equal amount in new terminals. The modern river terminal is as remarkably different from the old as the new tow of steel differs from the cargo of the packet boat.

The cost of taking freight down the levee and stowing it under the deck of an Ohio packet, and taking it up a similar levee at its destination, used to equal the railroad freight charges between two cities.

But the concentration of the Ohio-Mississippi's long hauls upon steel products permitted the evolution of accurately specialized equipment.

Cincinnati has a modern terminal with two 20-ton electric revolving traveling cranes. St. Louis spent a million dollars for a municipal terminal. Mem-

phis, foremost American rail and river interchange community, has put several millions into its layout, which includes a municipally owned classification yard with a capacity of 350 cars. Baton Rouge, now developing as the farthest inland ocean harbor, is the site of Carnegie Steel's rail-river-ocean interchange project.

New Orleans is the point where Carnegie at present transfers steel products from river barge to sea-going barge for the further haul to its warehouse at Houston, Tex. Perhaps some day a combination river and ocean-going barge will load at Pittsburgh.

But how, now, do the railroads feel?

Rivers supplement rails

SO VITAL a railroad center as Pittsburgh has never been unaware of the economic repercussions of the Ohio. But Pittsburgh business men not directly interested in railroad transportation have several ways of reconciling the Ohio River, if not waterways in general, with railroad prosperity.

Secretary Mellon takes the view that
(Continued on page 216)



These two twenty-ton electric revolving cranes, one for high water and the other for low, speed the transfer of freight from barge to freight car at Cincinnati's river-rail terminal

SINCE LAST WE MET ★

JANUARY

11 • FLOYD L. CARLISLE, chairman Niagara-Hudson Power, proposes to Governor Roosevelt of New York an open discussion of the State's power problem. Public, Power, Politics and Press—all to be represented.

12 • ANOTHER company to make insulating board and other things from cornstalks announced. Its stockholders are Chicago bankers and officers of International Harvester and Deere and Company. Promised that there'll be no stock promotion.

BRITISH Board of Trade, reporting a substantial increase in industrial production for the third quarter of 1929, says all industries contributed "except textiles." Query: Where has the textile business moved?

13 • SILVER prices advance because Chimanram Motilal, an Indian bazaar owner has cornered the Indian market. He bought or contracted for six to seven million ounces.

POSTMASTER General Brown says "the life of the passenger transport (by air) industry is in the balance" and announces a rescue party in the form of new air-mail compensation.

14 • RECEIVER asked for Kolster radio, "a \$17,000,000 concern."

15 • WE IMPORTED \$300,000,000 more in 1929 and exported only \$100,000,000 more. Trade balance still \$850,000,000 on the export side.

SIR HERBERT AUSTIN, whose "baby" Austin auto is to be made here, tells a luncheon meeting in New York that he has orders for 52,000, and 34,000 more are "definitely assured." He sees a greater demand for a smaller car than any American make.

16 • STEEL men in the Central Alloy Company's plant, Canton, Ohio, watch a device which takes molten steel into a great revolving drum and spins it about and disgorges slabs ready for bar and sheet mills. Its inventor says it saves \$4 to \$5 a ton and increases mill capacity 15 per cent.

JANUARY

17 • JOSEPH B. EASTMAN, renominated, and Robert M. Jones, nominated for the I. C. C. The former is a New England Democrat, the latter a Tennessee Republican, so whatever politics and geography have to do with railroads is still balanced.

MOTOR boat show follows automobile show. Price cutting featured and strong efforts to make the public accept the motor boat as an accessible means of pleasure.

18 • NATIONAL Industrial Conference Board says we paid \$230,000,000 more in taxes in '29 than in '28. Total put at \$9,300,000. Gain due to state and local increases.

RECEIVER asked for Fox Film Corporation.

19 • SECRETARY of Commerce Lamont says \$7,000,000 will be spent in 1930 on construction and maintenance of public works and public utilities.

20 • FACTORY sales of automobiles of all kinds in 1929 were 5,358,361 says the Department of Commerce. High month April with 621,910; low month December with 119,956.

BUILDING Trade Unions meet organized employers at Tampa and a promise of no more construction strikes results.

THE Federal Trade Commission after some months of thought decides it has no jurisdiction in the case against the American Association of Advertising Agencies and other publishing and advertising associations charged with unfair practices.

21 • THE B. F. Goodrich Company buys the Miller Rubber Company, both of Akron.

22 • THE Van Sweringens buy a coal distributing business around Boston and New York in addition to the U. S. Trucking Company, large local distributors of freight around New York.

23 • EXECUTIVE Committee of the Business Survey Conference meets at the U. S. Chamber of Commerce. Reports "evidences

A Business Record January 11 to February 10

JANUARY

of growing activity" and says "the current situation is favorable."

24 • GENERAL Electric is to make the four largest hydroelectric generators and ship them to Russia. Each is big enough to light the homes of 700,000 Russians.

25 • THE full-fashioned hosiery industry tries a novel plan. A joint body of employers and workers inaugurate a joint study upon which to base a wage scale.

UNITED Gas Improvement, part of what is called the "Morgan group" of Public Utilities, buys a sixth of the Midland United, an Insull group.

A CIGARET price war between Bloomingdale's and Macy's gets price of the 15-for-20 brands down to 89 cents for 200.

26 • THIS country loaned only \$716,000,000 abroad in 1929 as against \$1,488,000,000 in 1928 and \$1,593,000,000 (high-water mark) in 1927. Figures are the Department of Commerce's.

COPPER and Brass Research Association says that 4,300 miles of railroad track are now electrified. Less than one per cent of the route mileage, but it took 100,000,000 pounds of copper. Double the amount will be used within a few years.

BUREAU of Agricultural Economics tells farmers to be cautious in increasing production in 1930.

27 • SECRETARY of Agriculture Hyde radios an echo of the above demand saying "blind production for an unknown demand is the bane of agriculture."

DR. LUCKEISH, director for lighting research for General Electric, says a new bulb may change our whole social habits by making possible an indoor sun. Fewer clothes (textile manufacturers please note); colds and nervous diseases will diminish or disappear (doctors and drugstores warned); and the darkest cellar "shall rejoice and blossom as the rose."

JANUARY

28 • E. A. FILENE tells the Boot & Shoe Manufacturers Association how to boom their industry. Restore walking by putting paths along highways. The auto made roads for its product, let the shoes make paths for its output.

31 • CIGARET consumption increased 13 per cent in '29 over '28. Taxes were \$357,000,000. Other uses of tobacco declined a little.

FEBRUARY

1 • THE New York *Times*' 240 stocks listed on the Exchange showed an appreciation in January of \$1,500,000,000. December had shown a gain of \$260,000,000 while November, October and September had a total loss of \$17,800,000,000.

2 • TAXABLE incomes of 1928 went up two billions to a total of \$24,600,000,000. There were 496 persons who had incomes of \$1,000,000 or more; 24 had over \$5,000,000 and the total income of the 24 was \$24,600,000,000. The two billion increase was in sale of capital assets. A year of stock profits!

4 • MERGER of Lambert Company (Listerine products) and Pro-phy-lac-tic Brush Company announced.

5 • THE Amoskeag mills, one of the largest New England mills, surprises the textile industry by a dividend on its common and a bonus to all workers. Economies, not capacity production, the cause.

6 • THE New York Federal Reserve Bank cuts rediscount rate 4 per cent following the cut of the Bank of England rate to 4½ and cut in bankers' acceptances.

7 • WALL Street has a rumor that Goodyear, Seiberling and possibly United States Rubber will merge. The Cyrus Eaton group, now owning Goodyear, is credited with initiating the plan.

10 • FEDERAL Farm Board recognizes Grain Stabilization Corporation which will buy wheat at a pegged price of \$1.18. It is expected to do the same for cotton at 16 cents.

Something Is Wrong



DECORATIONS
BY GEORGE ILLIAN

If a store owner were required to list 500 items in his stock and give definite arguments explaining why each was carried he could justify only a small percentage of them

With the Department Store

By Walter Hoving

Executive Vice President, R. H. Macy & Company, Inc.



★ DO you regard each piece of merchandise on your shelves as an employee who should be doing a good job? This is the way to look at your goods, says Mr. Hoving

PROFITS of department stores have been steadily declining since 1923. Conversely, operating expenses have been steadily rising during the same period. The following table gives a graphic picture of the situation:

Expenses of Department Stores					
1923	1924	1925	1926	1927	1928
28.4%	30.1%	29.9%	30.3%	31.4%	31.7%

Net Profit of Department Stores					
1923	1924	1925	1926	1927	1928
3.6%	2.0%	2.3%	2.3%	1.7%	1.5%

These conditions indicate that all is not well in the department-store business. Moreover the business done by department stores has changed very little in volume since 1920.

During this time the country experienced a healthy development and growth in almost every important industry. Its wealth increased enormously and employment and wages were substantially improved.

Check payments outside of New York indicated expansion in volume of business, and it is interesting to note that the sales of ten-cent chains kept pace with check payments. But department-store sales fell below this curve and, indeed, are only slightly better than they were nine years ago. If the country were to experience a few years of general business depression, depart-

ment stores would be ill equipped to stand the strain.

Indications, therefore, are that department stores as a whole are not prospering. Instead of lowering their operating costs, and thus placing themselves in a position to reduce prices for the consumer, they are forcing the public to pay more for merchandise than is necessary. This seriously affects not only their own business, but the prosperity of the country as well.

Countless manufacturing industries have been able to reduce their costs, increase their volume and consequently lower their prices by more efficient methods of production. This procedure has been of major importance in creating American prosperity.

Retailing and efficiency

RETAILERS, however, have failed to realize that they must contribute to the general prosperity by running their business more efficiently, thereby lowering operating costs. Not only would they gain in profits which would in itself contribute to prosperity, but they would distribute manufactured products at lower prices which would greatly increase consumption.

A significant factor in the remarkable growth of the automobile industry

was the manufacturers' ability constantly to decrease the retail prices of their wares. Their large distribution can be attributed to their ever decreasing costs of production.

Perhaps we can best illustrate present conditions in department stores by drawing an analogy to the automobile business. Let us suppose a group of men organized a company to manufacture automobiles. A factory would be erected and machinery purchased. As the machinery arrived at the factory, it would be placed on the first floor, until that space was completely occupied. Then, as additional machinery arrived, the second, third and fourth floors would be utilized. Obviously, such unsystematic allocation of machinery could not result in efficient production.

Now let us suppose that 2,000 men were required to run the machinery and to sell the finished cars. The executives would assign the first thousand to the machines and the second thousand to the selling force, not considering the ability of the men as mechanics or as salesmen.

The organization would now be ready to function, and if it were possible to operate under such chaotic conditions we would witness the utmost confusion. Natural salesmen would be floundering about strange machinery, and born

can materially change an employment situation. Again, no matter how able its staff, a public employment office can do only a thin percentage of its community job placement work. The reasons are fundamental.

Jobs and the jobless

HELP-WANTED columns, for instance, will long continue as the most convenient meeting place for jobs and the jobless. The number of private or so-called fee-charging offices, too, is constantly increasing. They would not multiply unless an increasing patronage warranted.

Of similar hue are the commissary companies that combine the business of recruiting labor with that of feeding and housing it on hydroelectric, highway and myriad construction operations. Each year brings more of them to a service that public agencies cannot approximate unless commonwealths be authorized by law to engage in similar activities—with public funds.

How then can a governmental national clearing house reflect more than a narrow sector of the entire country's employment picture?

Furthermore, it is a near-truism in

employment circles that applications for employment are worth little more than the paper they are written on. Glittering exceptions to the contrary, the great majority of employable men who file written applications for work today will, a week or two hence, have found their niche.

Within the past month my office associates have sent letters to 8 lead burners, 21 electricians, 43 electric and acetylene welders, 15 stenographers, 9 draftsmen, 12 plumbers and steamfitters, 18 chauffeurs and 62 others of miscellaneous vocations, asking them to call regarding specific jobs that have materialized since they filed their applications with us. Total 188.

How many responded in person or by letter? Thirty-three. Less than 20 per cent—an average net that is seldom topped by fee-charging agencies or by employment departments of industrial firms. Of these 33 only seven were finally placed in the jobs we outlined to them.

What becomes of the 80 per cent? After filing applications, they find positions; move to other stamping grounds; illness overtakes them; traveling costs or a wife deter them; or from time to time, the job-bearing letters come back

to their senders marked, "Not known at," or "No such address."

Conceive then a national clearing house striving to transfer ten or 100 unemployed down-east mechanics to the automobile belt or an equal number of west-coast shipbuilders to the Great Lakes. The time factor of itself is a sufficient barrier to a fit performance of the task. The average office or unskilled manual opening today in our thickly settled communities is short-lived. In the cities 24 hours is a goodly span for its life.

Before help-wanted pages or employment bureaus can direct the right type of applicants to a plant or office it's an even break that the firm will fill the positions from its quota of daily job seekers. With the general exception of building trades and textiles the skilled today are the hunted; the tradeless, ever the great majority of the unemployed, are the job hunters. The former, because of mergers and relocating of industries, are at times temporarily marooned but they soon find their groove with little recourse to outside aid. But the tradeless, needing direction more, are less able to profit by it because their number usually far exceeds the jobs available.

But more formidable looms the perennial query that camps in every labor mart. Who will pay the transportation?

For example, the early summer of 1929 saw a surplus of unskilled labor in various sections of the eastern seaboard and a shortage in Detroit. A practical problem such as would confront any national clearing house was how to put the idle to work and restore the buying power of thousands of families?

Labor isn't mobile

MY OWN office, one of many public employment bureaus, could have sent hundreds. Yet it sent none. The railroad fare deterred the idle from digging down in their own pockets without assurance that definite jobs would be theirs in Detroit; and quite properly, no funds from any public source were available to finance the expedition. We could only tell applicants that the jobs existed. The rest was up to principals.

That is the very core of the whole proposition of moving labor through a central clearing house. Labor is only as mobile as the money that moves it. In this particular instance, Detroit employers did what employ-



Help-wanted columns will continue to be the most convenient meeting place for jobs and jobless

ers so confronted have to do. They themselves advanced the transportation.

The only other method that will accomplish a liaison in labor on a wholesale basis is such as is practiced in Canada. Whether a similar arrangement can or should be inaugurated here is a matter the American industrialist might consider. The Dominion's railways give workers rate reductions up to 30 per cent, R. A. Rigg, director of Canada's Employment Service at Ottawa, tells me. The reduced fare is allowed only on the going trip and tickets sold only to persons holding certificates which his department issues after establishing the applicants' capabilities and making sure that jobs will be theirs at destination.

In 1928, more than 43,000 artisans and unskilled workers took advantage of this reduction. In addition to these, every year, 1929 excepted, the railways on their own initiative effect a movement of more than 30,000 harvest workers from the eastern to the prairie provinces.

How can we move labor?

WHETHER OR NOT this method can readily be applied here is at least debatable. So, too, may be the responsibility of passing the necessary regulation under our Interstate Commerce Act. Whatever one's views on government subsidies, the procedure seems refreshingly free of the taint of class legislation because employers as well as workers and the public in general would profit by it.

Until this problem of transportation cost is adequately plumbed, job brokers will continue to be merely brokers. The greater the distance that separates their principals the more tedious, costly and futile will be their efforts to bring men and jobs together.

Assuming the transportation riddle solved, to what extent would one state cooperate in transferring its workers to another? Only so far as its public officials felt they could cooperate and still hold the sanction of the community that pays them. In fact, a number of states have laws restricting the recruiting of labor by out-of-state interests.

The only appreciable service that a national clearing house could render at present is to release accurate and timely



"Who will pay the transportation?" is a perennial query that camps in every labor mart

information, not essentially about specific jobs, but rather about employment and industrial conditions—and to release it on the dot.

Each year brings me a striking example, a reliable and up-to-the-day series of bulletins that in six months corrals 100,000 men from every state.

They come from the director of the Farm Labor Division of the United States Employment Service at Kansas City and tell when and where wheat cutting starts, of its northward sweep as the season advances, of threshing, corn husking, potato and apple picking; of the prevailing wages, living accommodations and where and when men may apply. Public employment offices in Louisiana, Texas, Oklahoma, Iowa, Kansas, the Dakotas, Minnesota, Washington, Oregon and Colorado, working through the hub at Kansas City, direct to jobs thousands who otherwise would go through endless wanderings.

A man eager for harvest work can walk into any public employment office or any post office and see for himself in what zone his service will be needed. But it's up to him to get there.

On a similar stage such offices can perform, and do, a similar service in bringing about a contact between workers angling for a permanent niche and employers who need them. A worker, for instance, in nearly any craft can enter a public employment exchange in Pennsylvania, and if he wishes to follow his trade in any one of the commonwealth's largest industrial communities, can gauge

his chances of getting what he wants where he wants it. At stated periods each of the state's 14 district offices forwards to the capital at Harrisburg a summary of the employment supply and demand in substantially all of the trades and vocations pursued in its community. Each report is then multi-graphed and a complete copy of all of them mailed to every office.

In a year's time the aid rendered employers and workers through that medium is considerable. An employer with jobs to fill and the ability to meet workers face to face can ascertain his chances of finding in those districts the workers he needs. He uses the information to a far greater degree than does the job seeker.

Palpably a central clearing house that tries to do on a large scale what its component units do with only moderate success is doomed to even less success than its subsidiaries. A mail-order business in jobs shows results, but only in retail volume. If the task is to be undertaken it must be done, crassly stated, on a wholesale basis.

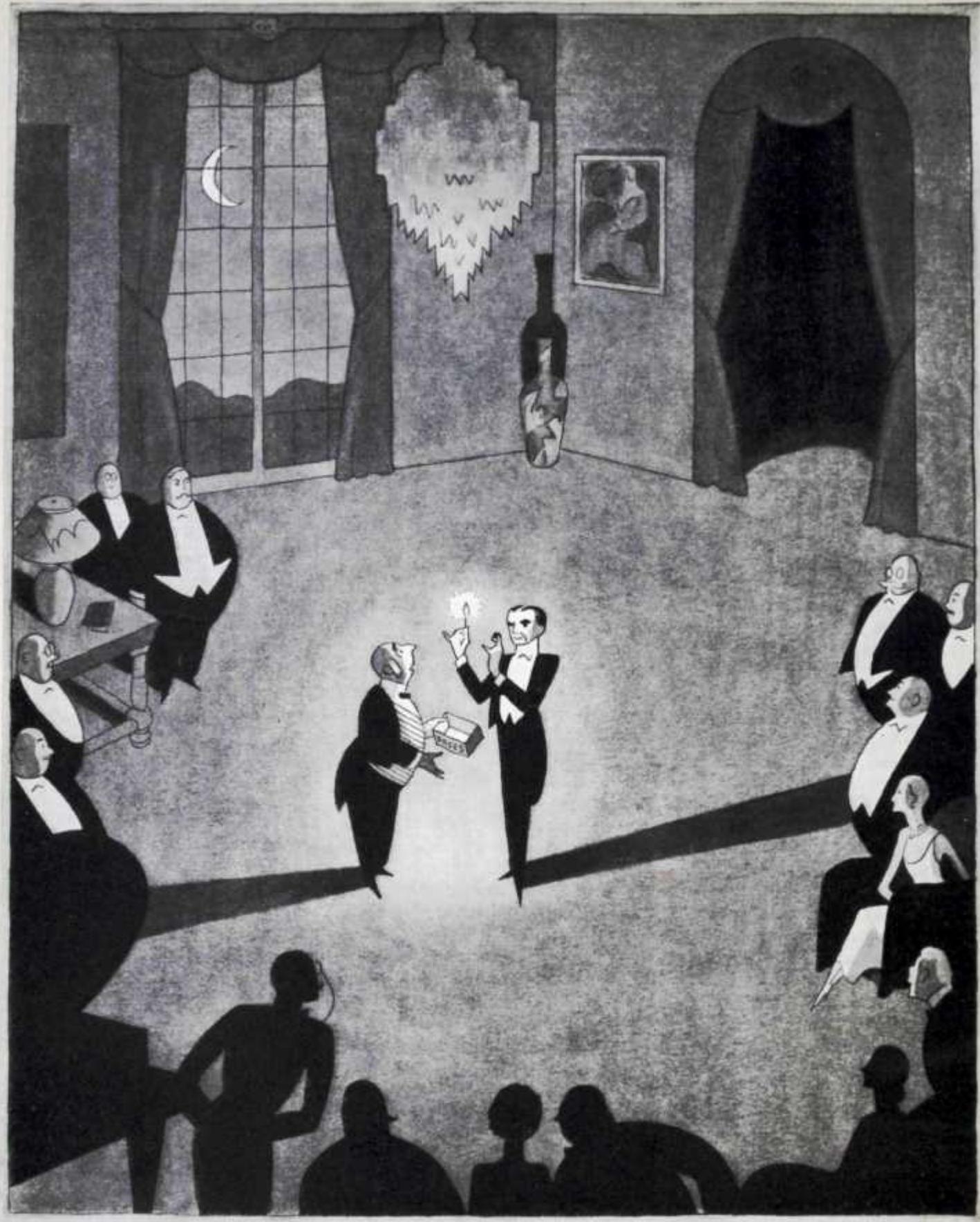
Putting the idle of one community into jobs in another is, when accomplished, largely the work of private enterprise. When attempted by public agency success depends upon the worker's eagerness for a certain grade of work—as in the case of harvesting—and reliability of information given him.

A common meeting place

EMPLOYMENT information to the employer who needs workers, giving him and the job seekers a place to get together and talk things over, is, it seems to me, the cardinal province of a public employment service because employment is the only cure for a labor surplus. The one outstanding service public employment offices can give is to show the employer who needs labor where he can get it and the unemployed where jobs await them.

At best that is about all the real constructive work a labor clearing house could do on a national stage—pass along data that, in moving through many mails and across many desks, would frequently become too stale for other than academic consumption.

For labor is only as mobile as principals make it.



1 • Embarrassing Moments in the
Lives of Great Business Men—By Charles Dunn

★ CLOSE scrutiny reveals to Owen D. Young that the lights in his home have gone out because of a blown fuse. Calling for a fresh one, the Chairman of the Board of General Electric is informed there's none in the house

American Business in Russia

By BERNHARD KNOLLENBERG

Lord, Day and Lord, Attorneys, New York

PART I

AMERICAN business men have been hearing for some years of Soviet concessions—permits issued to foreign concerns to carry on private business in Russia. But just how the holders of concessions are able to do business in a country that is supposed to have abolished private trade and industry has been something of a mystery. I shall try to throw some light on this situation.

I was in Moscow, Leningrad and southern Russia for several weeks recently on behalf of a New York banking firm which is considering purchase of stock in a corporation operating in Russia under a concession from the Soviet Government. My primary job was to determine the legal status of the corporation under Russian law and the validity of its concession.

I was also instructed to find out and report concerning the labor situation, the importation of raw materials into Russia, the sales outlets for the company's products, taxes, the means of transferring profits to the United States and the chances that the Soviet Government can and will keep its promise to pay for the materials on hand when the concession period ends.

To get at these facts, I talked at length with a number of the principal concessionaires in Russia, and the present discussion is based on first-hand information.

Communism broke down

SINCE the adoption in 1921 of the New Economic Policy ("NEP," as the Russians call it), Russia has abandoned communism in favor of socialism. The original communistic system contemplated the ownership of all property in common and the direct and equal division amongst the workers and peasants of the fruits of their labor. Under the



"**THERE'S** no interest in Russia," said one editor.

"**No interest?**" said the other. "Turn to the back of the book called 'The Soviet Union Looks Ahead' and read the list of American business men helping Russia."

"Let's see 'em," said the first editor. Here are a few of them:

HUGH L. COOPER AND COMPANY—Consulting engineers on the construction of the Dnieper hydro-electric power plant.

STUART, JAMES AND COOKE—Consulting engineers in the opening of new mines, rebuilding old mines and installing modern equipment.

FREYN ENGINEERING COMPANY—Consulting engineers on the design of steel mills.

RADIO CORPORATION OF AMERICA—Exchange of patents with the Soviet Weak Current Trust.

INTERNATIONAL GENERAL ELECTRIC COMPANY—Technical assistance in the Soviet electrical industry.

SPERRY GYROSCOPE COMPANY—Technical assistance in the manufacture of marine instruments.

NITROGEN ENGINEERING COMPANY—Technical assistance in constructing an ammonia fertilizer factory.

Du PONT de NEMOURS AND COMPANY—Technical assistance in erecting fertilizer factories.

LONGACRE ENGINEERING AND CONSTRUCTION COMPANY—Technical assistance in construction of apartment houses and public buildings.

ARTHUR P. DAVIS, LYMAN BISHOP—Consulting engineers on irrigation projects.

THE McCORMICK COMPANY—Designing a baking plant in Moscow.

ALBERT KAHN, INC.—Designing buildings for the Stalingrad Tractor factory.

HARRY D. GIBBS—Technical cooperation in Soviet aniline industry.

FRANK D. CHASE, Inc.—Technical assistance in the foundry industry.

FORD MOTOR COMPANY—Technical assistance in the construction of an automobile factory.

TAFT PIERCE COMPANY—Technical assistance in the foundry industry.

ARCHER E. WHEELER—Consulting engineer in copper industry.

C. F. SEABROOK CO.—Technical advisors on road-building.

FOSTER-WHEELER CORPORATION—Technical assistance in the oil refining industry.

LOCKWOOD GREENE & COMPANY—Technical assistance in the textile industry.

ROBERTS AND SCHAEFER COMPANY—Technical assistance to the Donetz Coal Trust.

NEWPORT NEWS SHIPBUILDING AND DRYDOCK COMPANY—Technical assistance in constructing turbines.

SEIBERLING RUBBER COMPANY—Designing a rubber tire plant at Yaroslav.

AUSTIN COMPANY—Consulting engineers in building industrial cities.

new system, most of the farm land is held by the peasants virtually under private ownership. The Russian laborer, like the American laborer, is paid wages out of which he maintains himself and his family. He is also theoretically free to change his job, although the great amount of unemployment in Russia limits the practical value of this right. The various industrial plants are owned by so-called state "trusts"—government-owned corporations. They are conducted much as private corporations would be.

The Russian employer can now lay off workmen in slack times and can dismiss any individual workman for cause, although he was not always permitted to do this. The wage scale is fixed by annual agreement between the employer and the employees in a manner somewhat similar to that now prevail-

ing in the New York building industry.

All of this my clients already knew. What they did not know, and I was expected to find out, was the temper of the workmen and of the unions; whether the general run of workmen do an honest day's work, and whether the unions play fair in passing on the matters of dismissing incompetent, lazy or dishonest employees and in seeing that the wage agreements are kept.

Abide by wage agreements

AS to this, most of the concessionaires agreed that, while the annual negotiations with the unions are harassing, a bargain once struck is kept.

The cost of factory labor in Russia, although, somewhat higher than in other industrially undeveloped European countries, such as Spain and Italy,

is lower than in Germany, France or England and much lower than in the United States.

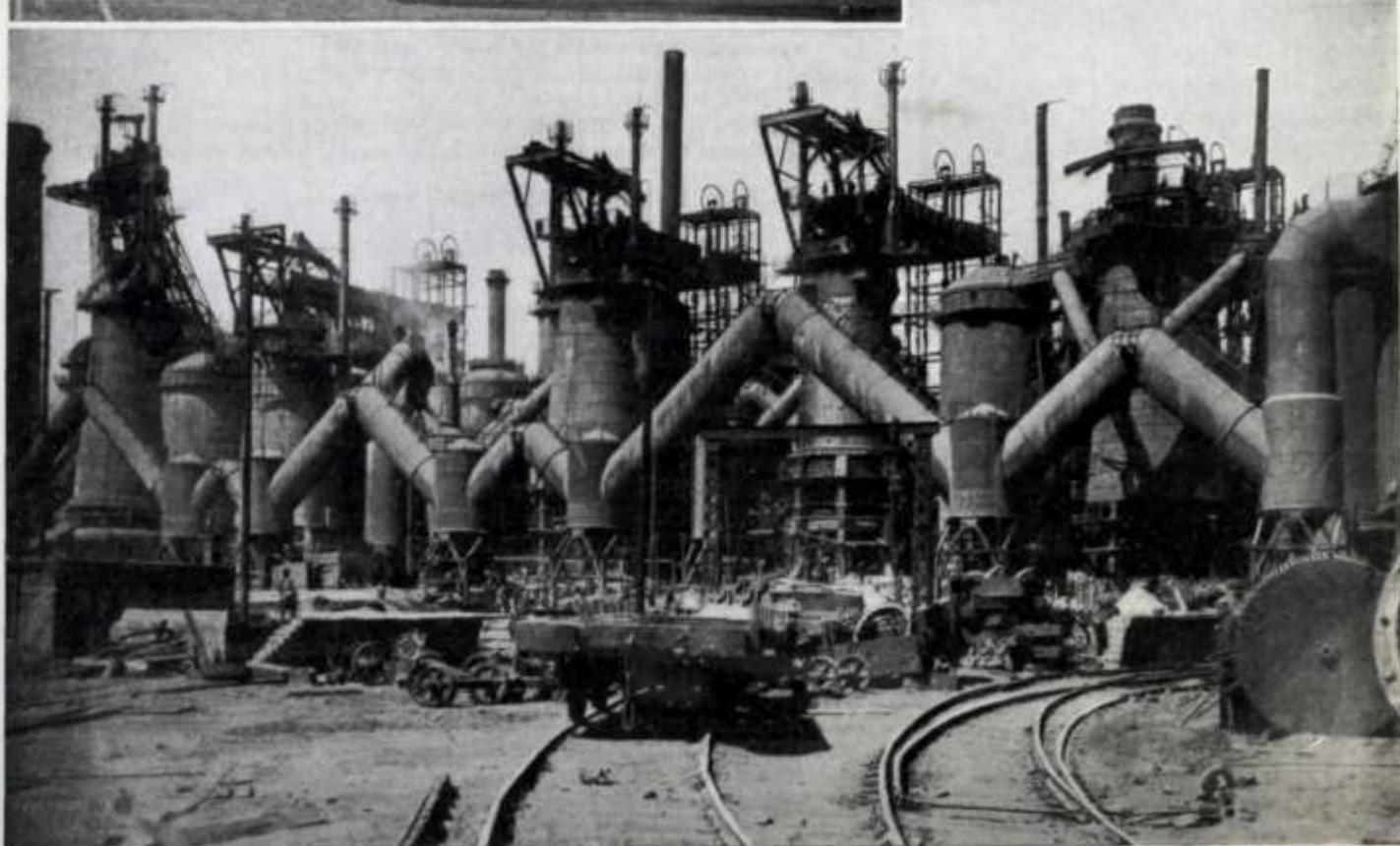
In arriving at the labor cost it is, of course, necessary to consider not only the actual wage payment, but also the expenditures for the recreation and protection of the workmen required by law or provided for in the annual agreement with the Union.

A few foreign engineers and technical experts receive large salaries, but the maximum amount paid to employees who are Russian citizens is about \$10,000 a year. The number of Russians receiving this much probably could be counted on one's fingers. The concessionaires usually find it necessary to pay a somewhat higher wage than the government trusts and cooperatives pay for the same services, but the difference is not great—15 per cent at the outside.

Besides direct payments to labor, the employer must pay to the Government a sum equal to from 10 per cent to 30 per cent of the amount paid out in wages. This is to cover the cost of workmen's compensation, old-age pensions, unemployment insurance and other government plans for the protection of the

EWING GALLOWAY

The grain elevator at Samara is typical of the Soviet's progress



Industrial production in Russia is about 80 per cent in the hands of the state trusts.
This is a general view of the blast furnaces of the Southern Steel Trust



Equipment purchased in America is going into this oil refining plant

worker. The employer also is required, as part of the wage agreement with the Union, to provide hospital, recreational and educational facilities, and a vacation of at least two weeks for every workman.

In the less industrialized regions such as Trans-Caucasia (the situs of the Harriman and Standard Oil of New York concessions), the employer is frequently required to provide shoes, overcoats, and other personal supplies, but in Moscow, Leningrad and elsewhere in the more industrialized cities of north Russia, the money payments to the laborer are to take care of his individual needs. The cost of extras rarely exceeds $33\frac{1}{3}$ per cent of the wages proper.

Cost of labor is low

THE average cost of labor in Russia is about \$10 direct and \$3 indirect per week of 46 hours or about half the average industrial wage (\$110 per month) usually quoted for the United States. The average industrial wage in the United States, measured by the factors used in computing the Russian wage, is, however, higher than \$110 per month, since many workers in the United States receive gratuitously many of the benefits which the Russian employer is required to provide as part of the workers' compensation.



A few of the tractors on which the Soviet is depending to rejuvenate its struggling agricultural industry

As to the efficiency of labor, the testimony varied. Some of the concessionaires reported that, with efficient supervision and a few months' training, Russian workmen are almost as efficient as American workmen.

Others stated that, despite persistent efforts for improvement, their production per man per hour was far below what it would be in the United States with similar equipment. It was generally agreed, however, that where piece work, including *group* piece work ("brigade" work), is feasible, production results are satisfactory. Most workmen in concession plants are now employed on a piece-work basis.

I took particular pains to discuss whether the members of the Communist Party were a subversive influence among

the workers in the concession plants. The testimony was unanimously to the contrary. The Party, although its underlying doctrine is the destruction of private capitalism, recognizes the necessity for increased output in Russian industry as its most immediate problem. With this in view, most of the Party members are trying by example, as well as by precept, to stimulate production.

Leaders are well disciplined

THE common American impression that the members of the Russian Communist Party have fallen heir to the pampered lot of the former Russian aristocracy is erroneous. The members of the Communist Party are bound by

(Continued on page 166)

A French reception room done in steel and leather after the modern manner



This unusual-appearing cabinet forms a part of a French bank's installation of steel furniture

Steel Steps Into a

THE French, with their usual flair for novelty, have introduced the use of steel in the making of modernistic office furniture. The new products have won acceptance on the Continent and are now about to make a bid for recognition here

STEEL has amply demonstrated its versatility and adaptability to the needs of our complex modern civilization. It plays its vital part on every hand, the list of its uses runs the gamut from fire engines to furniture—and in this latter field it is extending its already wide application.

Particularly is this true as regards office furniture. For a period of years steel office files, desks and other office furnishings have been available to the business man, but these in nearly every instance have been designed—and even painted—to simulate their wooden prototypes.

It has remained for the French to extend the use of steel in office furnishings into a less stereotyped field, to make full use of steel's inherent qualities in the production of office furniture designed after the modern manner.

Modernistic office furniture is, of course, no novelty to American business men. It has gained its friends in the past, just as it has gained its foes, and is now represented in some degree in nearly every American town and city.

But modernistic office furniture executed in steel is quite another matter.

It was natural enough that this latest phase of the modern

art movement—which movement, incidentally, has now been in progress for some 30 years—should have its inception in modernism's original birthplace, Europe. Starting on a small scale in France some five years ago, the production and sale of these modernistic steel furnishings has grown until now they may be seen in many continental business offices and even in South America.

As the products have, up to the present, been handled in the United States only through commission houses, they are not so widely known in this country. This condition promises to be remedied within a short time, however, as negotiations for their manufacture here are under way with several American companies.

Unusual problems naturally have arisen incident to the introduction of such an unusual line. Just as naturally, they have necessitated unusual solutions.

The arousing of public interest in the new furniture was one problem that demanded the early attention of the designers and manufacturers. One of the most effective means of stirring this interest has been the exposition room that for some time has been maintained in the basement of the Portiques des Champs-Elysées, in which samples of the fur-



Conference-room installations similar to this are being used by a number of French business firms

New Rôle

PHOTOGRAPHS COURTESY LARISÉMÉAL, PARIS



This attractive hotel room serves as a living room by day and is "made up" as a bedroom only at night



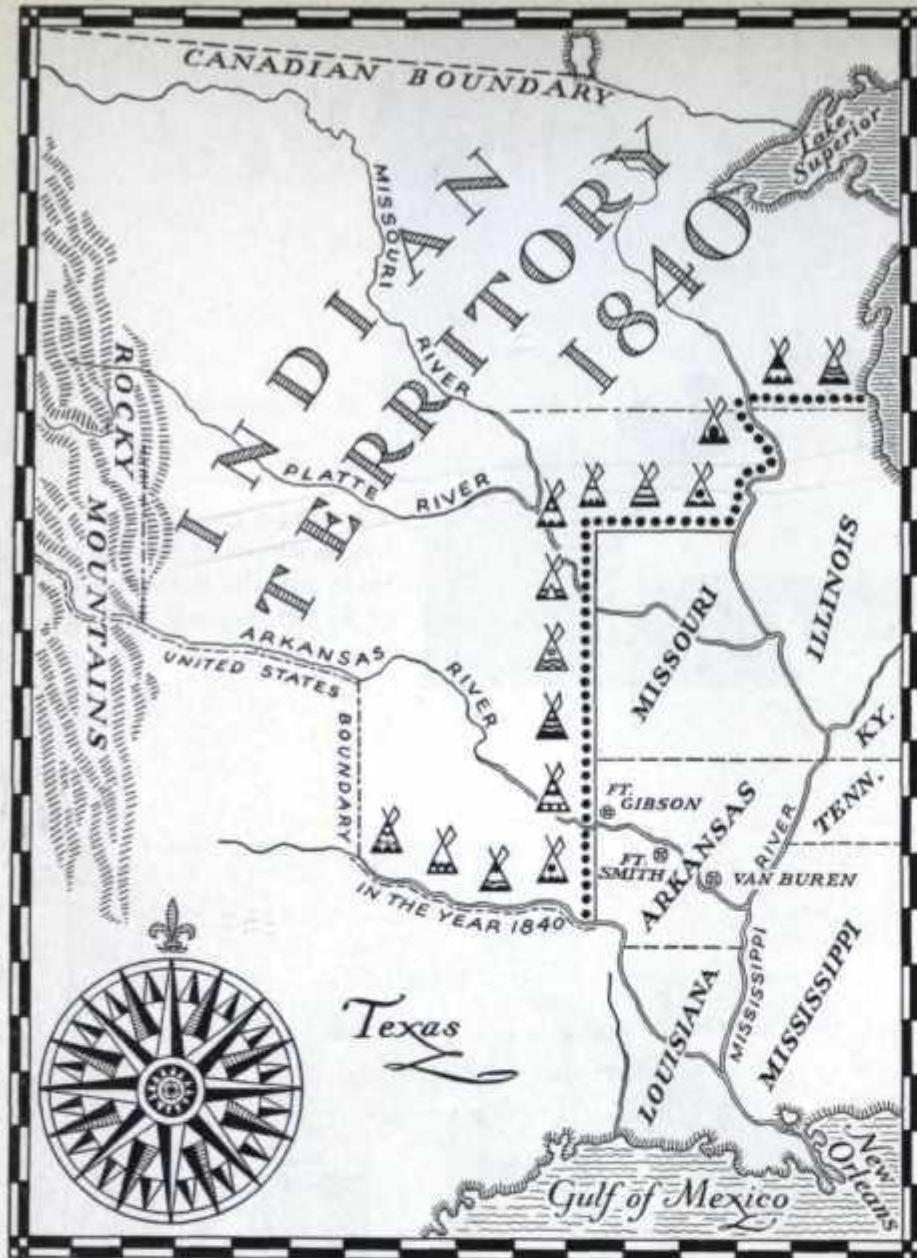
The director of a Paris bank keeps his important papers in this simple and compact steel cabinet

niture are kept on display. No salesmen are stationed at this display room and neither is any sales literature to be found there.

The display is changed every fortnight, however, and is lighted both night and day, so that few persons pass by without stopping to make a close inspection.

An interesting bit of French psychology has entered into the furnishing of this exposition room and that of the actual sales office, located some blocks distant. Considering that the average Frenchman inherently fears ornate sales offices, as he thinks that the costs of the decorations are tacked onto the price of the product, the manufacturers of this furniture furnished their business office plainly but tastefully in their own furniture.

Thus the Frenchman who wishes to buy only a chair or two is not frightened away, while foreign buyers may be referred to the more elaborate display which is to be found at the exposition room.



In 1840 a young Philadelphian went to Ft. Gibson to collect a bill. Being a lucky young man he got home with his life—six months later

In 1840 I was working in Philadelphia for J. & H. Alexander, who ran a wholesale dry-goods house. In the spring of 1839 representatives from a firm in the Cherokee Nation had come to Philadelphia, and bought a hundred thousand dollars' worth of goods on credit. There were three members of the firm, Drew, Field & Co. Mr. Drew and Mr. Field were Cherokee Indians. The "Co." Mr. Rogers of Tennessee, was a white man. They bought the goods on six months' time, with the privilege of 12 months. They were to pay when the Indians got money due them from the Government. On these terms J. & H. Alexander sold them \$4,000 worth of goods.

When the account became due, one of the firm, J. Alexander, went out to Indian Territory to collect the

money. They paid him \$2500 in Indian scrip, which he was to hold as collateral security, and promised to pay the balance, \$1500, and redeem the scrip in a few months when the Indians got their pay from the Government. Drew, Field & Co. were selling to the Indians on credit, and would collect when the Government paid, but for some reason the Government was behind in its payments.

In the meantime the firm ordered an additional bill of goods—dry-goods, clothing, boots and shoes—worth \$12,000, promising to pay the whole amount when the government money should come in. J. Alexander received the order, and brought home the scrip.

Dodging

The stock was got ready to send out, and the question arose who should be sent with it. Neither of the Alexanders wanted to go. They decided to send a young man from those in their employ to take out the goods, deliver them and collect the \$16,000.

The short way around

THE choice fell upon me. I set out late in October, 1840. The cheapest route from Philadelphia to Indian Territory in those days was by water, going by sailing vessel to Cape Hatteras, past Bahama Banks, to Key West and across the Gulf to New Orleans; then by steamer up the Mississippi. It so happened that a fine new vessel, the *Warsaw*, was about to sail for New Orleans. Goods could be shipped to New Orleans by her, and then by steamboat to Fort Gibson in Indian Territory. I was eager



At Cape Hatteras we encountered a heavy storm that lasted three days

to go on the *Warsaw* but the clothing was not ready, and she sailed without me.

A week later, another vessel, the *John Cadmus*, shipping from Maine, was to sail from Philadelphia round to New

Death to Trade in the West

By THOMAS McPHERIN DAY

As Told to Edward Carroll Day

DECORATIONS BY SYDNEY E. FLETCHER



THE MAN, whose story is printed here as he told it to a relative in his later life, went bill collecting in Indian Territory less than 90 years ago. Compare the perils that beset him with your problems today. Then you may long for "the good old days"

Orleans. I took passage on her. After leaving Philadelphia we had a pleasant voyage until we reached Cape Hatteras, then we encountered a heavy storm that lasted for three days.

There were only three cabin passengers, a gentleman about 60 years old, who had made 40 or 50 trips back and forth to New Orleans. He told us he had never been seasick. The other passenger and myself, both young men, were making our first voyage. When the storm began we both became seasick.

On the second day of the storm even the old gentleman got seasick. After the storm was over we got a little rest, and from that time on the trip was pleasant enough.

As soon as we got to New Orleans I left the ship and ran up the levee to see if any vessel was going up to Fort Gibson. It happened that a steamboat called the *Cherokee* was to start that evening. I told the captain of the *John Cadmus*, that I wanted to get my goods out, and go up the river on the *Cherokee*.

The captain said my goods were pretty well down and he feared he could not get them out. The stevedores were set to work—and they worked hard—but my goods were not out and the *Cherokee* sailed without me.

I was disappointed. The *Cherokee* was a fine boat and had a band on board.

Dense river traffic

ABOUT a week later a new boat, the *Maid of Arkansas*, started up the river. This time my goods were ready. As the current was strong and we were pretty heavily loaded, it took us about 24 hours to get 175 miles above New Orleans.

About midnight I was awakened by a concussion. I jumped out of my berth thinking that we

had hit a snag. But I found that we had been hit by two boats that were racing. These boats were coming down near the right bank of the river in the course of vessels going up stream. Both had struck us, one on one side, and the other on the other. The boat on the right broke a hole in our vessel, then ran under us and stuck there, holding up that side of our steamer.

When I got out of my berth I met the carpenter coming up from below. He was wringing his hands and crying, "We are lost! We are lost!"

I ran back to my stateroom, got my trunk with all its contents, including my bill of lading. It was a small trunk which I carried in my hand. I ran to the side of the vessel, intending to throw the trunk to the deck of the vessel beneath us and jump after it. But just as I raised the trunk the boat slid



I decided to make my homeward journey by land and rode part way on the Pennsylvania Railroad



The *Cherokee* had blown up on her first trip and 50 or 60 persons were killed

out from under us and I was left on a sinking boat. Our captain called to the captain of the other boat to stand by and assist us, but he went on.

Our captain then ordered the pilot to make for the shore. We ran on a sand bar and stuck there. Just as we struck our stern sank. The captain ordered anchors thrown out to prevent us from slipping back into deep water.

At daybreak, after examining the damage, the captain determined to repair the boat partially. The carpenter filled up the break with planks, making a temporary bulkhead. Then the pumps were set to work. After two days the hold was emptied and the vessel floated. Then we started back to New Orleans. Of course all the freight was water

soaked. When I got to New Orleans I went round to the house of Hart, Le Batte & Co., to whom J. & H. Alexander had given me a letter of introduction. My goods were all badly damaged, but they were fully insured. I did not know what to do.

I asked Mr. Le Batte to send me



Van Buren was the head of navigation at low water

to the best lawyer in town. He introduced me to a gentleman—I have forgotten his name—who, he said, was reckoned the best commercial lawyer in New Orleans. I stated my case, and the lawyer talked to me about half an hour, putting in so many "ifs" and provisos that, when he was through, I still did not know what to do. He charged me ten dollars.

Law in simpler terms

I WENT back to Mr. Le Batte, asking if he could take me to another lawyer. That one knew too much. Mr. Le Batte appeared surprised, but directed me to a Mr. Preston who had just come to the place.

"He has a good reputation. I will take you round to see him."

We went to Mr. Preston's office. He was not in. I learned that he was at the courthouse. Mr. Le Batte had no time to go with me, but he directed me to the courthouse. I found the building, went in, and asked an attendant to send Mr. Preston to me. When he arrived, he led me to a vacant room. I stated my case. He said at once:

"Your course is plain. Instead of being the agent of the parties insured, you are now the agent of the parties insuring. You must do the best you can for them with the goods. Dry the goods if you can. Sell them the best you can."

I thanked him and asked what his charges were. He would charge nothing.

I handed him ten dollars, which he took.

I sold the goods for not quite half what they cost, and from the insurance company I collected the balance of their value for J. & H. Alexander.

Though I now had no goods to deliver, I still had to go up to the Cherokee Nation to collect the \$4,000 due J. & H.

Alexander. When I was ready again to start for Indian Territory, the *Maid of Arkansas* was repaired. I took passage on her. She was bound for Van Buren, but the river was falling fast, and when we got to Little Rock, it was so low that the *Maid* could go no farther. There I had to take a smaller boat, the *Wheeling*. This carried me past Van Buren, near the western boundary of Arkansas, into Indian Territory, past Fort Smith, to Fort Gibson.

When we were going up, at a place called Pittsburgh Landing, we heard that the *Cherokee* had blown up and that some 50 or 60 persons were killed.

When I got to Fort Gibson I went immediately to a hotel, the only one in the place. At the table I saw a gentleman whom I recognized as belonging to Philadelphia. He also recognized me as a Philadelphian, and

him out of reach of another shot, and so he got back to Fort Gibson without being killed.

The Philadelphia clerk said that when he went out to Bayou Monard on horseback, an Indian stepped from behind a tree and grasped his horse's head, crying, "Bac, bac!"

He happened to have tobacco and gave it to the Indian. But he was so badly frightened that he would not venture again to take the six-mile ride to Bayou Monard. He would wait in Fort Gibson until Mr. Drew or Mr. Field came in.

Credits were risky

THE river was fast falling, the captain of the *Wheeling* feared his boat might be stuck there and determined to get out the next morning. The young man from Philadelphia took passage on her and went home, having collected but \$200.

The same day I got a horse and went out to Bayou Monard. I found Drew and Field with a very light stock of goods, daily looking for the order I was to bring. I told them how it was. They asked that the firm duplicate

their order and send the goods on at once. I told them I would tell the firm of their wish, but I could not promise more than that. I afterwards learned that they could not have paid for the goods had they come through all right; and I had been instructed not to deliver them unless they paid. The house represented by the young man before mentioned lost all—one hardware firm lost \$10,000.

However, they redeemed the Indian scrip and paid the balance due J. & H. Alexander. I started back to Fort Gibson with \$4,000. Half of this was in silver, which I carried in a pair of saddlebags.

It weighed about 150 pounds.

The question now was how to get down to Van Buren, head of navigation at that season. The river was still falling; no boat could get up until the water rose.

It was now spring. My business was finished. I must get away. An officer stationed there told me that soon a government wagon would be going down to Fort Smith. I waited a few days. There was no sign of the wagon.

One day I saw them selling at auction some worn out government horses.

"Now is my time," said I, "I will buy a horse, put on my saddlebags and ride to Fort Smith."

The first horse put up was a fine



I rode a mile with the woods afire on both sides of me

went to the register to confirm his opinion and learn my name.

Afterwards he came to me and said, "I suppose you have come to get some money from Drew, Field & Co. I am here on the same errand. I have been here four weeks and have gotten only \$200. I went out to Bayou Monard to see them but will not go out again."

It appeared that another merchant, a Mr. Hart, had come in just a few days before and had been shot on his way from Bayou Monard. Someone crept up behind him and shot him in the back. But he had a good horse that carried

looking animal; he went for \$35. He came near throwing his owner as he tried to ride him away.

The next put up was also a fine looking horse. But nobody bid on him. I thought he would answer my purpose and began bidding on him.

"Five dollars."

"Five dollars and a half," cried another man.

I bid six dollars and got the horse. Then I bought a dragoon bridle and saddle for \$7, making \$13 for the outfit. I arranged to start next morning at daylight.

It happened that two army officers, Captain Nolan and Captain Wilson, were going down to Fort Smith at the same time. We started together. I soon found, however, that my horse was pretty well worn out and could not keep up.

Continued alone

AFTER a while the officers told me that my horse would give out if I tried to keep up with them. They advised me to fall behind, keep on more slowly, and on no account to stop at any house except a certain one which they described. So they rode on and left me.

I kept on until I came to a stream running with considerable current and rather wide. The road ran into the stream and came out on the other side. I did not like the looks of it, but the only thing to do was push through. I rode in. All went right until about the middle of the stream, where the current was strongest, my horse began to stagger. I put the whip to him. He plunged for-

ward and finally brought me safe to the other side.

I went on and soon came to a piece of woods which I must pass through. The trees were on fire on both sides of the road. I did not like to venture in, but I had to or spend the night out of doors. For a full mile I rode where it was so hot that I feared it would set fire to my clothing.

When I got out of the burning woods it began to grow dark, and I watched eagerly for the house where I was to spend the night. Finally I came to one that answered the description. I went in.

Here I found Captains Nolan and



In the woods lived a pack of cut-throats who would kill a man for \$5



The cheapest route to Indian Territory was by water to New Orleans, then up the Mississippi

Wilson. They told the landlord, who was a Cherokee Indian, to have my horse fed and give me an early start in the morning as I would have 35 miles to travel that day and on the way would have to cross the Arkansas River opposite Fort Smith.

I started just about daylight. When I was about two hours out these military gentlemen overtook me. They rode with me for a short time, and then left me, after telling me of a large house that stood in a field at the right of the track ten miles before reaching Fort Smith. If the sun was an hour high when I got there I was to go on to Fort Smith, but if it was later I must stop overnight at this house. Beyond there lived a pack of cutthroats who would kill a man for five dollars. To pass them after dark was all a man's life was worth. I rode at as good



The lawyer talked a half hour but said nothing I understood

speed as my horse could carry me.

It was late when I reached the house. I looked over the field and saw 40 or 50 people playing ball. They were a hard-looking crowd, Indians and renegade whites. I preferred going on to risking my life with them.

A quarter of a mile from that house I rode into the woods and into a mudhole. My horse stuck. I jumped off and, keeping hold of the bridle, pulled with all my might and used my whip. At last he got across. Then I remounted and went on.

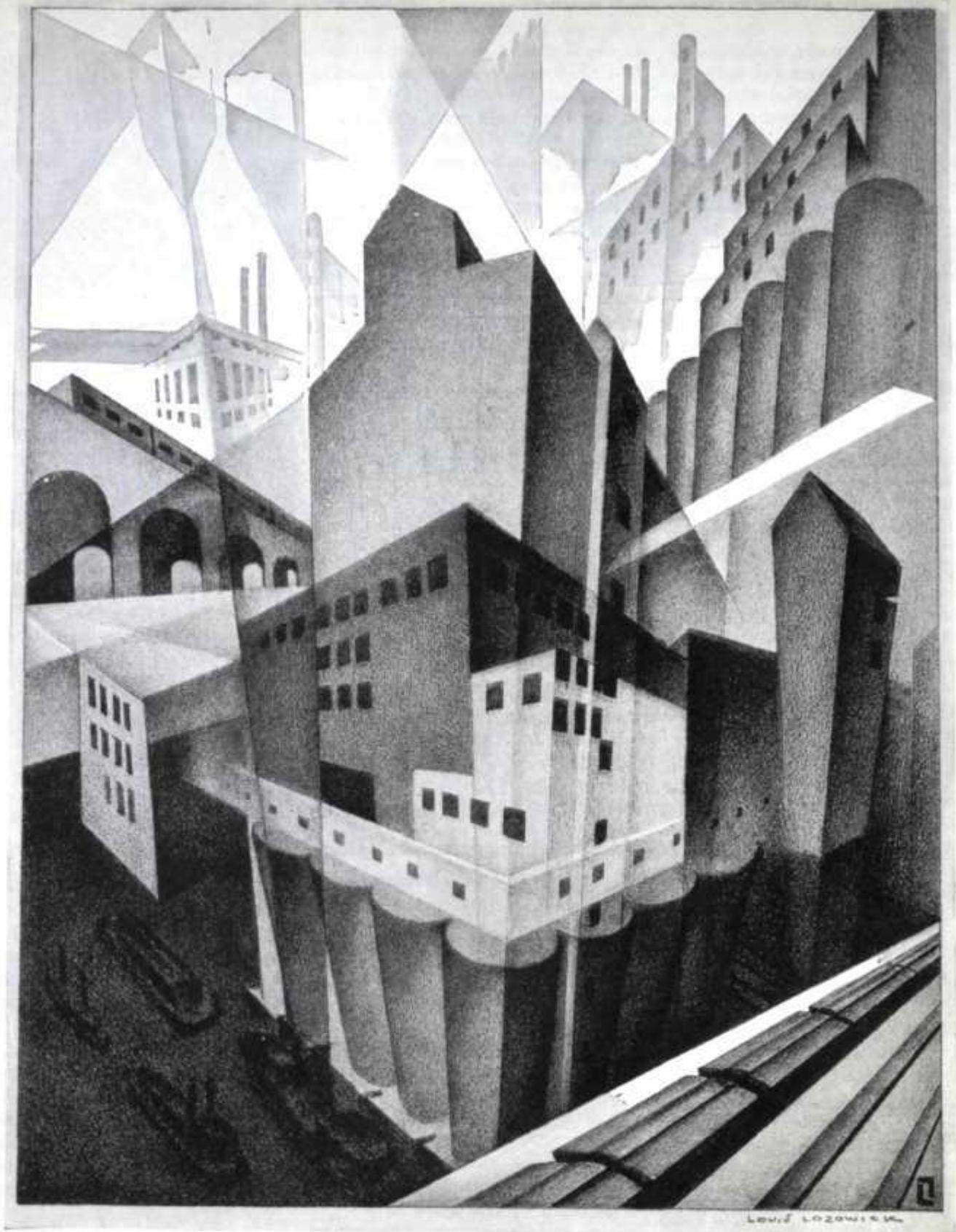
It was now quite dark. The woods ran along at my right. The moon for a time enabled me to see the outlines of the road. When the moon went down, if I looked up, the light of the stars helped me to keep the road for a while, but the first thing I knew my horse brought up in the top of a fallen tree. I got off and led him, at the same time stooping down and feeling for the track.

Lost among the wolves

I WAS out of the woods and had not its dark outline against the sky to guide me. The road led by the side of the river. I had been in the river bottom all the way.

I could hear packs of wolves howling up on the bluffs. I determined if they got on my scent to take to a tree and leave my horse. As I walked back and forth feeling the ground my hand struck hard ruts made by wagon wheels, and I knew I was again in the road. I led my horse, occasionally feeling for the track, until it led into another piece of woods when I mounted again.

I passed a number of Indian cabins.
(Continued on page 148)



An Impression of Minneapolis—By Louis Lozowick

LOUIS LOZOWICK, famed for his industrial lithographs, here catches the aspiring and inspiring spirit that marks modern Minneapolis. Metropolis of the wheat trade and the milling industry and one of the largest creamery centers, the city's far-famed "bread and butter skyline" appropriately dominates this sketch. But Minneapolis lives not by bread

alone. It is, aside from all this, the world's largest flaxseed market and producer of linseed oil and cake. Some 5,000 men are employed in its railroad shops, thousands of others man the city's foundries, knitting mills and motor-vehicle plants. Nearly a half-million persons call this commercial, financial and industrial center of the Northwest home.

Industry's Wasteful Efficiency

By JOSEPH STAGG LAWRENCE

Author of "Wall Street and Washington"



ILLUSTRATIONS
BY LOUIS FANCHER

TO the lay reader, the expression "waste in industry" must sound like an anachronism. He has heard so much of the Chicago packer who utilizes a hog so completely that only the squeal escapes, of the substitution of mechanical for human power, of ultimate specialization and of production so finely coordinated as to touch perfection, that any suggestion of waste in industry seems to him the far-fetched wail of the alarmist. Indeed, so far as the mechanics of production go he is perfectly right. Our progress in this field has been a fit subject of marvel.

Economies that don't help

PROUD as we may be of these gargantuan strides, certain ugly facts introduce discords into this soothing picture. In the first place we have the disturbing fact that increased distribution costs have, in many cases, offset the economies realized through improved methods of production.

On the income sheet of the year we often find a decline in unit labor cost compensated by an increase in unit selling cost. The consumer pays his accustomed price unaware of the "economies" achieved by the producer. The stockholder receives no greater dividend, that is, if he receives any at all, than he received before. He likewise is unable to

We have often seen the most unscrupulous rather than the most efficient holding the field at the day's end

appreciate the increased efficiency of the plant.

A second fact which should stimulate thought is the excessive mortality of industrial enterprises. We live in a world of operating business units and deal constantly with going concerns. We are oblivious, therefore, of those who are dying by the wayside. Since we see them not we make no attempt to diagnose their ailments. It will be startling, therefore, to some of us to know that more than 90 per cent of our entrepreneurial infants are doomed to an early grave.

The average life of a business enterprise is somewhere between seven and

eight years. If you wish to test this fact for yourself count the automobile producers who appeared to be at the top 20 years ago. Then see how many of them you can find today.

A third fact which compels us to discount still further the efficiency of American enterprise is the absence of profits in a surprisingly large proportion of business units. Of the corporations large enough to make public reports of income, between 40 and 50 per cent appear in the red each year.

Examine the daily report of Stock Exchange prices for New York City. Presumably this list includes the country's largest and most successful industrial units. You will find that more than one-third of the corporations listed are paying no dividends.

However well we may be able to turn out needles and cars and candlesticks our record for profits is sad. The stock-



WE have been led to believe that competition is the natural state of business and that, when it ceased, the result was harmful monopoly. Here is an economist, however, who offers some new views of competition, not as a good, but as an evil



Competitive energy is essentially blind energy. The individual drives ahead, unguided, to get all the business he can get

holder is seated at a table covered with glistening linen, set with glittering silver and gleaming china but a mocking host offers him phantom portions without substance or sustenance.

Had we no other evidence than this we should be compelled to conclude that enterprise suffers from some profound though inscrutable malady. Entrepreneurial mortality and profit anemia have served at least to indicate the causes of business affliction. These causes are four, incompetent management, uncontrolled production, extravagant competition and wasteful distribution.

Competition and production

INCOMPETENT management is personal and is primarily a problem of training and selection. We shall not attempt here to pursue this cause further. Since we cannot do justice to wasteful distribution, we shall reserve it for another occasion. The other two causes, extravagant competition and uncontrolled production, constitute our text.

It is taken for granted that competition is not only the natural state of the economic community but the best. The standard textbooks of economics used in our schools and colleges affirm that competition is not only the natural state of the economic community but the best. Although some doubts have been asserting themselves in the last few years this may nevertheless stand as a

general statement. The exaltation of competition as that beneficent state wherein mankind can realize the greatest good to the greatest number is largely attributable to Adam Smith and his followers. They contended that the innate selfishness of each man would spur him on to win the greatest possible rewards for himself.

Since society consisted of a definite number of men the effort of each one to maximize his own return would produce the greatest possible return to the group as a whole.

The dogma of Smith, refined and modified, is in essence the credo of economic theory today. This is not the place to explore these propositions in the realm of abstract theory. Certain fallacies in the cult of competition are visible.

Competitive energy is essentially blind energy. The productive effort of any one of a group of competitors is unguided. It is impossible and impracticable for him to assign to himself a specific part in the program of production and discharge it with a view to satisfying normal demands. There is no way in which such an individual can determine what the demand is or what, definitely, he should do to satisfy it.

He drives ahead without plan or reason to get all the business he possibly can before any one else gets it. If the other fellow underbids him he must follow suit even though profits are cast overboard. The mere fact that he can

show no profit is an inadequate deterrent.

Often continuation in business means less loss than absolute cessation and the desperate fling of the inefficient producer often brings chaos to an industry and deprives the better managed units of the profit which would normally be their due.

Price equilibrium

SUCH conduct is distinctly contrary to conventionalized economic theory which holds that the fluctuation of prices automatically corrects any inequilibrium between supply and demand. As prices go up weak producers who were unable to compete at lower levels enter the field, increasing the supply. As prices go down these same producers fall by the wayside.

Unfortunately this fine adjustment does not always work out. Let us assume a level of

railroad rates which prevents certain poorly situated lines from making a profit. Does that automatically bar them from competition? By no means.

Such lines have two alternatives. They may continue to produce at a loss or cease production. The naive theorist expects the latter. Such a railroad, however, finds that the cessation of operation does not stop losses. Taxes must be paid, road and equipment maintained, administrative staffs paid and interest on bonded indebtedness met. If it continues to render service it will do so at a loss, it is true, but such loss may well be less than that which will be sustained if operations cease entirely.

Big losses vs. little losses

THE question of the operative, in other words, is, "Will I lose more by operating at a loss or by not operating at all?"

Railroad history attests to the disturbance which such lines constitute and the difficulty of guiding competitive effort to permit reasonable profits. The problem is fundamentally one of inability to gauge demand and relate productive effort to it.

The railroad has been used as an example to illustrate the blindness and irresponsible character of railroad competition. As a matter of fact inability to adjust productive effort to demand is largely responsible for the farmer's plight

today. The second cardinal defect of competition is its wastefulness. Numerous competitors cover the same area, make the same advertising appeal to sell products essentially identical. A dozen milkmen serve milk in the same block. All the local butchers advertise in the local paper. Pig iron from Sweden is used in the United States and American pig iron finds its way into Sweden.

Due to a lack of concert among producers there is sometimes a scarcity of particular goods and the consumer pays an exorbitant price. When the market is flooded the producer must take what he can get. The soft coal industry and cattle raising offer eloquent testimony to the penalties which competition exacts on this count.

Competition often a cutthroat

THE jungle law is not more ruthless than competition. The course of competitive history is strewn with the bleached bones of the many who have fallen by the wayside. Nor have these victims always been the least efficient. In the desperate struggle for survival fine ethical distinctions among competitors have been cast aside and as a result we have seen at times the most unscrupulous rather than the most efficient holding the field at the end of the day. Encouraging each man to pursue his own selfish interests without restraint lets loose forces which are hardly wholesome.

Still another count in the indictment of competition rests upon the fact that the cost is rarely confined to the unfortunate victims but extends to the entire body of consumers. Whenever extra cohorts are required to maintain a particular business at a given level it involves a social sacrifice of productive energy. The additional salesmen required to maintain the field against an aggressive competitor might have been doing other things which would have increased directly that stream of goods and services which men use to satisfy their wants. Similarly all the duplicated effort and wasted energy needed to carry on in the face of competition might be saved and directed into productive channels where it would benefit the public.

How can the wastes of competition be reduced? The answer is cooperation among the competitors. This cooperation

we may define as the opposite of competition. Monopoly is also defined at times as the negation of competition and we shall be compelled later to establish a distinction between cooperation and monopoly.

For the time being let us say that cooperation is that concert among independent producers which seeks to coordinate production and consumption, to minimize the wastes of competition, to increase the profits of the producer and reduce the cost to the consumer. This may appear an extravagant and quixotic program but it is being realized today in many industries and is proving its value as a method of ending those troublesome and costly problems that are the result of competition.

A great deal has been done by the state. The Government has been an avid seeker of facts and, by their publication, has given productive effort some measure of that vision which competition has denied. It is difficult to overestimate the value of the statistical services rendered by numerous government bureaus.

Aside from the comprehensive annual statements, we have current reports such as *Crops and Markets*, the monthly statistical record for agriculture; the *Survey of Current Business*, the monthly report of the Department of Commerce, an impartial and highly accurate factual record revealing the pulse and condition of business; the *Federal Reserve Bulletin*, a splendid statistical

account of credit and finance as they relate to business, and many others serving more specific fields in their own way.

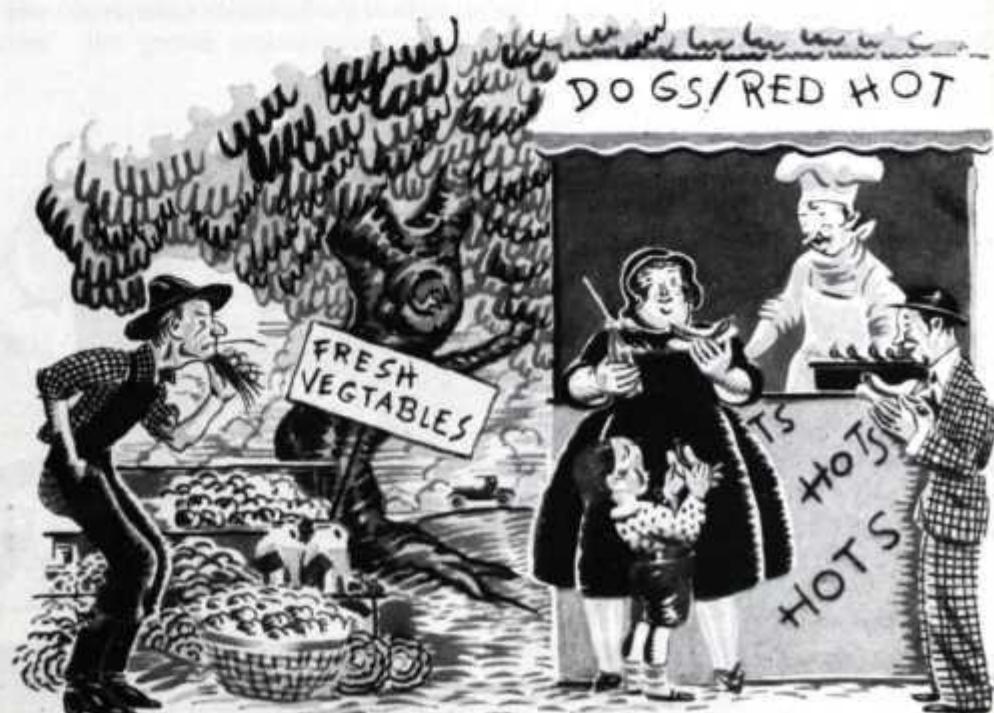
This steady stream of official statistical intelligence has literally provided the business man with sight. It is significant that the discussion of the business cycle as an inevitable concomitant of modern economic society has perceptibly died down in recent years.

The careful factual records that are being provided by Uncle Sam have made it possible to avoid bulging warehouses, congested distribution, and unwise credit commitments, all substantial contributory causes of that recurring affliction which has given the business cycle its character.

As a source of statistical information the state has played a passive rôle. Today its responsibility, at least for groups that are politically articulate, has become more positive with each passing year.

No schedule of production

IT IS probably no exaggeration to say that pure competition is at its worst in agriculture. The competitors number millions. Each farmer contributes such a small part to the entire crop that his influence as an individual is ridiculously ineffectual. He has substantial fixed costs which make it impossible for him to modify his productive schedule to suit prospective demand even if he



The plight of the farmer today is largely attributable to his inability to gauge demand and relate productive effort to it

understood precisely what was necessary.

In addition he is confronted by the requirements of crop rotation. The conservation of fertility dictates a definite sequence of crops. Even if he did know how much he should produce and could adjust his crop succession he would be at a loss to know how much land to plant to produce a given crop. His final output rests in the lap of the fickle elements. The gravity of his problem cannot be determined until the harvest is over.

His distress has been ably championed in Congress and as a result we find the Government definitely committed to the aid of the farmer. It is significant that this aid has been directed to an elimination of the evils which flow from that pure state of competition which was formerly esteemed the *summum bonum* of society.

With governmental assistance the farmer is striving to control production, to eliminate waste and to obtain that intelligent and concerted guidance which unrestrained competition by its very nature refuses to tolerate in any business.

Business must help itself

WHILE some business men may wish that the Government would provide as solicitously for their surpluses as it does for the farmer none are under any illusions as to the prospects of such assistance. They know that the wastes of competition which burden them can be relieved only through their own initiative. They ask only that Uncle Sam

give them a reasonably free hand in solving their own problems. There the Government finds itself in a dilemma.

On the statute books are laws passed specifically to prevent concerted action among competitors. The Interstate Commerce Act of 1887; the Sherman Anti-Trust Law of 1890; the Clayton Act and the Federal Trade Commission Act, both passed in 1914, were designed to preserve unrestrained competition.

How can a Government pledged to enforce the law grant a group of men the right to do that which apparently contravenes the law? How can conduct intrinsically commendable be reconciled with specific statutory inhibitions? There are ways.

The vitality of a law varies directly with the public ardor in its favor. This is as it should be if we grant the premise that the law is the crystallized judgment of the people on matters within the province of government. Public tolerance of cooperation among producers has grown perceptibly during the last decade.

The halls of Congress and our legislatures no longer reverberate with the denunciations of corporate iniquities. It would lead us astray to examine the roots of this sufferance. Suffice it to say that it is here.

The Webb-Pomerene Act permitting combinations of producers for more effective competition in foreign trade definitely exempts them, for that purpose at least, from the restrictive provisions of our anti-trust legislation. The Esch-Cummins Act definitely reverses the attitude of the Interstate Commerce Act toward combinations among rail-

roads and positively endorses co-operation. These are merely legislative symptoms of a new attitude toward competition.

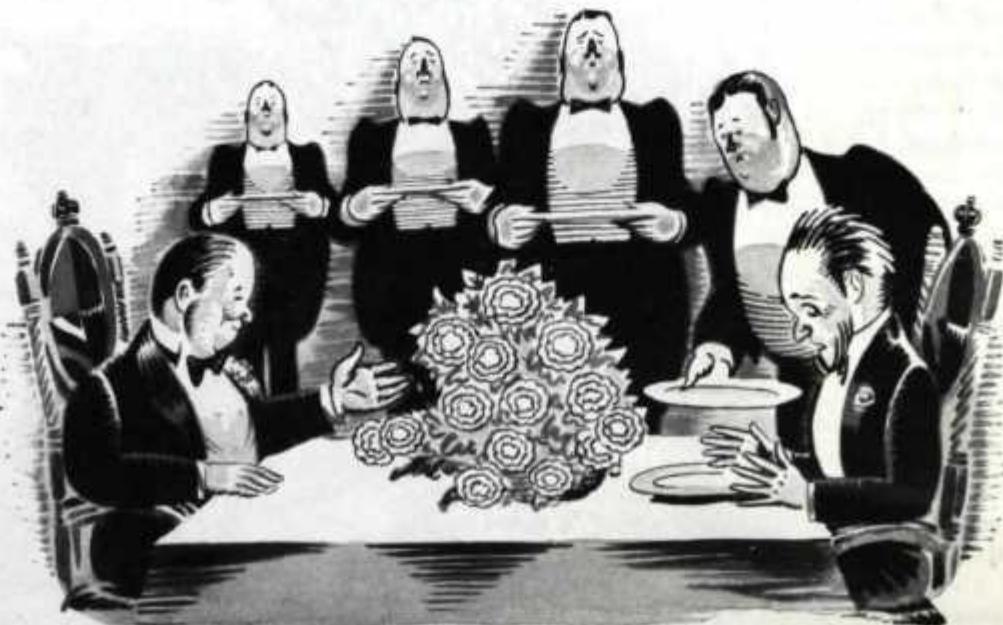
The ancient code remains, it is true, and in the hands of some overzealous Attorney-General may become an instrument of mischief. At the meeting of the American Bar Association in October the present Attorney-General affirmed his intention of enforcing all the laws including the antitrust laws. He could hardly have taken any other position.

Reverence to old laws

YET a careful reading of his address fails to reveal any deep determination to drive the Department of Justice into the face of progress. He offers reverential obeisance to the archaic statute and that is good policy. On the same day the Farm Board announced that 100 million dollars had been placed at the disposal of the Farmers' National Grain Corporation because wheat prices were too low.

Now it is hardly likely that Uncle Sam will deny to the business man the right to take those necessary measures to help himself which the Government at great expense is providing for the farmer.

Keenly aware of the destructive nature of unrestrained competition and sensing the growing acquiescence of the Government in the necessary corrective measures American business is following two definite lines of cooperation which promise to eliminate much of the extravagant wastes of competition.



The stockholder is seated at a well appointed table but a mocking host offers him phantom portions without substance or sustenance



General Falk, President, the Allis-Chalmers Manufacturing Company, Milwaukee

Raise Distribution Cost and Prosper

By GENERAL OTTO H. FALK

★ WE thought expensive distribution hadn't a friend in the world 'til General Falk appeared to champion it. And what an able champion he is

ISN'T there a chance that a deal of the agitation about high costs of distribution is much ado about nothing? Are we sure that the high selling expense which so disturbs the convention speakers and the financial writers is, after all, an unmitigated evil? I question their viewpoint; I suspect that this cost has its favorable aspects. I doubt that it is a sheer waste from the pockets of consumer and stockholder.

It seems to me that, as a nation, we are solving our distribution problems in the factory. This is only right, for the factory is where most distribution problems originate. Economical manufacturing frequently entails expensive selling, and neither the consumer nor the producer is worse off for it. Indeed, in the long run they are both practically certain to be better off for it.

Two types of markets

TAKE, for instance, the company of which I am president. Our manufacturing falls into two general classifications, engineered and production. Engineered, which is the bulk of our volume, includes such lines as heavy electrical machinery, steam and hydraulic turbines, mining and crushing machinery, engines, flour mill machinery, saw mill machinery and the like. Production includes tractors, distribution transformers, electric motors, centrifugal pumps and mechanical drives.

Intensive selling effort does not yield the same returns on engineered products as on production items. If nobody is building flour mills, for example, no volume can be had in this field except on replacements. On the other hand, farmers and road builders are always buying tractors, public utilities buy distribution transformers, industries buy motors, pumps and drives. So extra selling effort on these lines may very well yield a profitable increase.

On our engineered lines, therefore, we exert sales effort in proportion to the available business. Since, in these lines we build each unit to special order, the savings to be attained through increased quantity are less than on a production item, which is repetitive.

Our production items are made according to standard specifications, they are produced by progressive operations along assembly lines. Since their produc-

tion is repetitive, great economies are possible whenever we increase the output of a given part to, say, the point where it can be performed on a full automatic machine tool. All the way through this chain of production, savings are to be made at each upward step of the plant schedule.

Consequently, with a market in which we can get more business by pushing harder for it and with a product on which we can cut our manufacturing costs by turning out a larger volume, we keep our sales department keyed up to constantly greater effort. If by spending \$10 more per tractor on sales we can increase the volume to the point where we can save \$15 per tractor in the factory, no sane business man would do otherwise. We can make more money by doing it this way.

This, it seems to me, is better economics. The money spent in added selling cost is more than made up by decreased production cost.

Volume and savings

YOU can call to mind innumerable instances of the same sort from your personal experience and observation. It applies rather generally throughout business. Fundamentally, then, the high costs of distribution arise from the intensive efforts of manufacturers or their distributors to force increasing quantities of their goods into the possession of consumers. Increased volume brings about even greater savings in the factory through the use of equipment designed for economical mass production.

For example, on a given volume of production in one factory department we can afford to use high quality tool steel for our cutting tools. But when we increase this output by 25 per cent, we can afford to use tungsten carbide tools on the same operation. Tool steel costs about \$6 a pound; tungsten carbide, about \$40. Yet the saving per cut is large enough to yield us a very pleasant cost differential—if we have enough cuts to make.

Manufacturing technique is progressing with such rapidity that it is difficult for most of us to keep apace with changes in the industry—new machines, new processes, new materials, come to the factory executive's attention almost daily. Only the other day a works manager not far from our plant told me that salesmen who call on him have shown him how he can save a million dollars a year by using their equipment to turn out the five million dollars' worth of goods his plant pro-

BUSINESS FOLK IN



BUYS STOCK
Alfred P. Sloan's General Motors Corporation pays \$35,000,000 for a million shares of its own stock



REAPPOINTED
Not a Senator kicked when Joseph B. Eastman's name was submitted for reappointment to the I. C. C.



CHANGES JOB
Formerly a General Electric official, T. W. Frech becomes the new head of RCA Radiotron Company



NACOS CHIEF
Commercial Organization Secretaries reelect Arthur S. Dudley, of Sacramento Chamber, president



FIRST IN SAFETY
C. M. Keys, Curtiss Company president, accepts \$100,000 Guggenheim prize for safest airplane



STUDIES SYSTEM
H. A. Wheeler's Banking Committee, National Chamber, issues a report on the Federal Reserve

THE MONTH'S NEWS



NUMBER, PLEEZ!

W. S. Gifford heads A. T. & T., owned by nearly 500,000 persons. His speech is reviewed on page 207



FARMER'S GRAIN

W. G. Kellogg of Minneapolis is named manager of Farm Board's grain cooperative marketing firm



ANOTHER MERGER

Two old building materials firms, Detroit Steel Products and Holorib, are united under V. F. Dewey



LONG SERVICE

Thirty years president of the American Rolling Mill Co., G. M. Verity becomes chairman of board



HOME AGAIN

Cleveland finance engages P. W. Herrick, who formerly helped his late father, Myron T., in France



DIRECTS WHOLESALING

John J. Gibson heads the new Westinghouse Supply Co., formed to do electrical wholesaling

duces. Most of this saving, of course, is in manufacturing expense rather than in material cost. The production executive added that he believes he could actually attain three-quarters of the promised saving if he had the funds to re-equip so thoroughly.

Most of the factory economies offered show marked similarity, however. To attain them, the plant must produce a large volume at a reasonably steady rate. It must, to turn out goods at a lower unit cost, turn out more goods. This brings the manufacturer right back to the situation we started with. It pays him to get this increased volume by plowing back part of the factory savings into higher selling costs.

Suppose we consider in a general way, without being too specific about brands and items, the policies of one company with which I am familiar. Its product is principally used as factory equipment, and its plant is not far from ours, in Milwaukee. Its two principal competitors are in southern Ohio and in a suburb of New York City.

This company could cut a large slice off its distribution cost if it were content to sell within, say, the territory lying west of a line drawn from Detroit through St. Louis and continuing in the same general direction. In this district the company is well known; it has a large percentage of the business. With nowhere near its present sales pressure this firm could unquestionably get the lion's share of orders in its line.

But even if its factory were not already built and equipped for a far larger volume than this territory could yield, this company would build for a larger volume than it could attain locally and compete with the other members of its industry for volume all over the country. Why?

Costly selling makes savings

TO ATTAIN the savings that modern quantity manufacturing technique makes possible—savings with full-automatic machines, high-speed cutting tools, mechanical handling between processes and on its assembly line—the company has to turn out a larger volume. These factory economies are so important that the firm goes far outside the district where it might set up something approaching a geographical monopoly, even into the home towns of other companies that make the same general line of product.

Selling in the difficult territories is one of the causes that runs up the cost of distribution. But every manufacturer

(Continued on page 174)

How Britain Learned

By HARTLEY WITHERS

Former Editor, "The London Economist"



Diversification is, in British eyes, the corner stone of the investment trust. It applies the insurance principle to securities

ONE of the opportunities that Fortune has showered on America is that of knowing about, and so avoiding, the blunders and bunglings that have marked the early history of most movements in the Old World.

In England we have suffered from being pioneers and, as such, have strewn the path of history with bleaching bones. We had to have a murderous civil war to settle the right of the people to tax themselves. It took us half a century of groping to find out that the way to meet a gold drain was to put the bank rate up.

We built our railways under the delusion that they were going to lower the value of adjacent property, and in an atmosphere of wildcat gambling and unsavory scandals which loaded their

capital with water that has impaired their development ever since. In 1866 Lord Clanricarde told the House of Lords that 450 million pounds had been spent on railways which could have been built for 200 million pounds.

American trusts sprang up

EQUALLY unpromising were the early days of the investment trust companies, the best of which are now among the solidest and most useful cogs in Britain's economic machinery. And now that the investment trust principle has been adopted and expanded in America, with a rapidity that takes away the breath of British observers, a short sketch of the early struggles of the British investment trusts may be useful as a warning on the American side of the Atlantic.

In British parlance, the distinguishing

features of an investment trust are:

1. That it is an investor pure and simple—that it does not indulge in company promotion or in financing half-baked schemes and enterprises, and makes no attempt to take part in the management of the concerns in which it is interested;
2. That it reduces investment risk by diversification of its holdings, either through the whole range of securities of various enterprises and borrowers in all climates of the globe, or by means of a selection of what it believes to be the best of a group;
3. That it distributes dividends only out of its revenue from interest and dividends, using all profits realized by sales for addition to reserves or for writing down the book value of securities held, so creating a hidden reserve.

Diversification is, in British eyes, the corner stone of the investment trust. It applies to securities the principle of insurance. Just as insurance companies make good profits for themselves and confer priceless benefits on humanity by spreading risks, so the investment trust companies can make good incomes for their shareholders by wide distribution of their funds in revenue-producing securities.

Diversification, for these reasons, has shown a tendency to widen its scope in Britain. A few specializing trusts, such as the Rubber Plantations Investment Trust, have done good work for their shareholders, but the tendency has been for the sweep of the net to be widened. The early trusts were generally confined to a group of securities, but in their subsequent history most of them, such as the Foreign and Colonial, and the British Steamship have burst their investment bonds and adopted general diversification. Nearly all the new companies that lately have multiplied so fast in England and Scotland, have, like Pistol, made the world their oyster which they will open, not with the sword, like Shakes-

About Investment Trusts

DECORATIONS BY GEORGE LOHR



THE rapid development of investment trusts in this country has brought up the question, "Do these organizations have a field of service and, if so, where is it?"

Great Britain has found that they do and here a qualified observer explains what it is

peare's jolly ruffian, but with the peaceful key of finance.

The lack of diversification in the early investment trusts soon brought trouble. The

London Financial Association, one of the first pioneers, founded in 1863, was formed to lend money on railway securities, which were then, in the early sixties, under the cloud of the collapse of England's railway mania. The association was an attempted compromise between the distrust of the investor and the necessity for carrying on railway enterprise.

"The finance companies," says Dr. Powell in his "Evolution of the Money Market," "were able to sell their shares at high prices to investors, who imagined that they had placed a buffer between themselves and the industrial risk. It was only when the unrealizable character of the securities had begun to be apparent that the weakness of the system stood out in glaring conspicuousness."

Obviously, an investment company, which sets out to invest exclusively in



one group of securities which is utterly dis-

credited and bound to remain so until the industry behind the group has painfully pulled through a drastic reconstruction, has a troubous course before it.

Safety in diversification

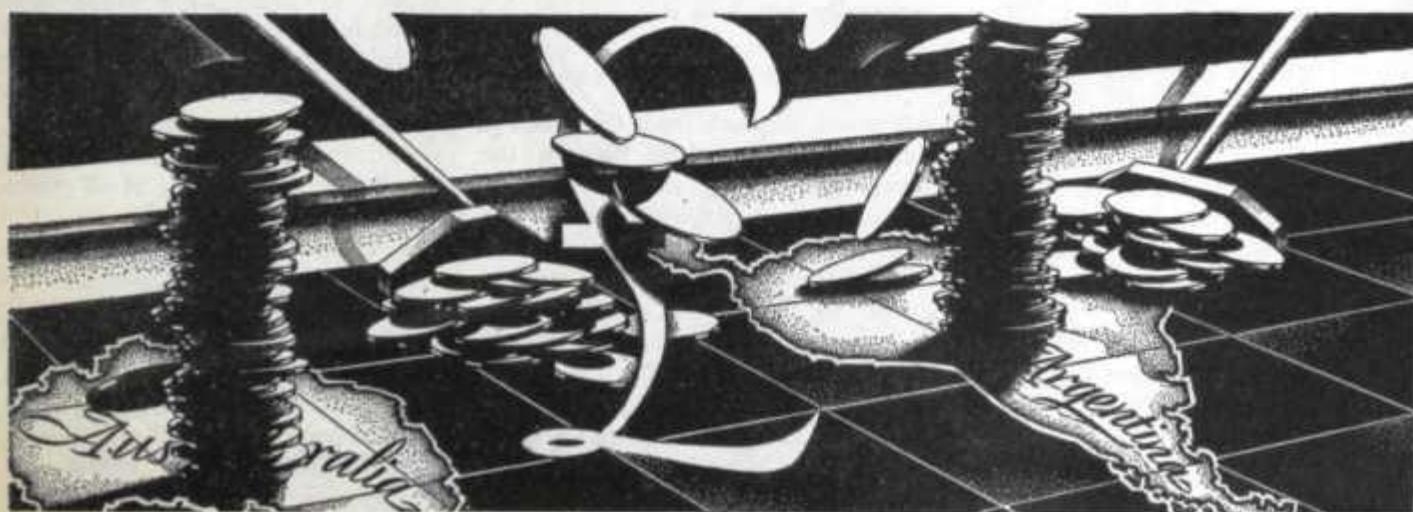
WIDER diversification was the principle adopted by the Foreign and Colonial Government Trust, founded in 1868. Its prospectus stated that its object was "to give the investor of moderate means the same advantages as the large capitalist in diminishing the risk of investing in Foreign and Colonial Government stocks, by spreading the investment over a number of different stocks and reserving a portion of the extra interest as a sinking fund to pay off the original capital."

It was proposed to invest one million

pounds in obligations of these governments: Austrian, Australian, Argentine, Brazilian, Canadian, Chilean, Danubian, Egyptian, Italian, Nova-Scotian, Peruvian, Portuguese, Russian, Spanish, Turkish and United States. Not more than 100,000 pounds was to be put into the stock of any one government. The average rate of interest expected was eight per cent, and handsome profits were anticipated from the repayment at par of a large number of obligations which were to be purchased at considerable discounts.

Here we have, at least, geographical diversification, and it may be added that the Foreign and Colonial Trust, having dropped the word Government out of its title and adopted general distribution of risk as its principle, is now a successful company.

It is one of the several concerns which successfully came through the troubous years which followed the Baring crisis



The late 'eighties brought a period of reckless overfinancing in which great wealth was promised those who put money into Argentina, Australia and other new countries

of 1890. In considering that stormy period for the British investment trusts, we must remember that the same storm swept the whole financial landscape in Britain and darkened all the world. The late 'eighties had been a period of reckless overfinancing, in which boundless wealth was expected to be poured into the pockets of those who put money into Argentina, Australia, and other new and undeveloped countries.

This was no mere gamble infecting only an ignorant public. It was a delusion which blinded the most respected leaders of the financial world, among them the mighty House of Baring Brothers, which was described in 1819 by the Duc de Richelieu as one of the six great powers of Europe. How the Bank of England formed and headed a guaranteeing syndicate and held the firm up until its liabilities of more than 20 million pounds were met without the guarantors being asked for a penny, and how the firm, under the steady hand of the late Lord Revelstoke, has been restored to its position, are matters of history.

A lesson from experience

MY present purpose is only to show that if the investment trusts that came into being so fast in the late 'eighties made mistakes, they were sowing in good company. Born in an atmosphere of hectic optimism, they passed through a wasting fever, and those that survived have never forgotten the experience gained in those days of tribulation.

One cause of their misfortunes is not, we may hope, likely to be repeated in any country that adopts the investment-trust system. This was the "founders' shares"—shares of low denomination subscribed by directors and others interested in the establishment of the companies and which carried rights to substantial shares in profits after the ordinary stock had received a certain dividend.

The existence of these shares in the hands of those responsible for the companies' operations led to a policy of working for big immediate profits, with no regard for subsequent possibilities of disillusionment.

The London *Economist*, then as always restrained and careful in its expressions, wrote in its issue of July 15, 1893, of "transactions which in four years enabled the founders to pocket 160,000 pounds for an investment of 300 pounds"; and alluded to the "temptations which such shares must provide for the directors, who are usually

founders, to engage in any business which offers a large immediate profit."

The same journal in an article on September 9, 1893, on "Movements in Trust Securities," gave a list of trust-company stocks which had an original value of nearly 28 million pounds and were at that date priced in the market at 18½ million, and added that the re-

impossible, is a danger; in company promotion, which needs rigorous examination of every proposition on the spot, diversification is much more likely to be a snare.

So it proved in the case of this corporation. The company had made 24 issues, involving a net total of 16,338,000 pounds, the current value of which was then 9,876,000 pounds involving a loss of 6,462,000 pounds or more than 40 per cent. And this was not all the story, for enterprises having a total issued capital of 5,794,000 pounds were not blessed with any discoverable quotation.

Blunders and errors

TROUBLE also came to some of the early British trust companies as a result of their taking over blocks of securities, on terms not too carefully examined, from financial houses embarrassed by the aftermath of the Baring crisis, and then indulging in transactions which appear to have been highly questionable. We read of "roundabout borrowings and lendings" which "would seem to be utterly childish were it not for the fact that by their means some nice commissions and other pickings fell to the lot of some of the contracting parties."

In other words, the British investment trusts went through a bad time because they were born in an atmosphere of recklessness and had to work their way, through blunders and errors and worse, to the adoption of the principles on which they have since been conducted. Now they are recognized as one of the most important channels through which British capital has been poured out all over the world, to the mutual benefit of borrower and lender. Their mistakes all arose from neglect of those rules which were stated in the early part of this article as being their present distinguishing features—pure investment, with no promotion and management of enterprises invested in; diversification; and retention by the company of all profits from turnover.

To these rules British investment-trust policy has added another—the regular allocation to reserves, or addition to surplus, of a high proportion of revenue from interest and dividends received. One hundred and twenty-seven trust companies that published reports for the year ending June 30, 1929 showed an aggregate profit balance available for dividend on the ordinary stock (and so exclusive of turnover profits)



On September 30 his investment would have been worth 304 pounds for each 100 pounds that he had originally put into it

sult would be much more disastrous if comparison were made between the prices then ruling and the highest quotations touched when the mania was at its peak.

Another cause of misfortune was the extent to which the trust-company pioneers engaged in the business of company promotion. To quote the *Economist* again (of September 16, 1893) the Trustee Executors Corporation had, as promoter, a "sphere of operations almost literally extending from China to Peru."

Even in investment, diversification carried to a point at which vigilance is

(Continued on page 232)

Lion-Tamer Publicity

Is Hurting Utilities

By RAYMOND S. TOMPKINS

ILLUSTRATIONS BY STUART HAY

MAN is less generous with his pity than with his pocketbook. He will give you a dollar and hurry off to keep you from breaking his heart with your hard-luck story; or perhaps he will just hurry off. In any event he doesn't want to hear the story if he can help it. He resents assaults on his sympathy as he does flirtations with his wife.

He will buy short-weight pounds of merchandise put up in a handsome package for a whole handful of hard cash and say, "This is service!" But he won't buy a long ton of your problems and troubles at any cost.

He would even rather not have them thrown in free of charge along with merchandise of sound quality at a fair price, because it makes him suspect that either the merchandise is not as sound as it might be, or that the price probably isn't fair at all. At best, if you really are having all the hard luck you claim (and your hearer is inclined to doubt it), he secretly hopes it will not be too long finishing you off entirely.



The public will give you money but it doesn't want to hear a hard-luck story

These homely and perhaps too bitter reflections grow out of several years of thoughtful contemplation of the public utility business. Somewhere behind them may lurk the truth about the American's public utility complex with its curious symptoms, frequently violent and now seeming to approach greater frequency and violence—probes and demands for more probes, cries of "Octopus!" "Tyrant!" and worse; blistering senatorial denunciations, and faint calls for "public ownership!"

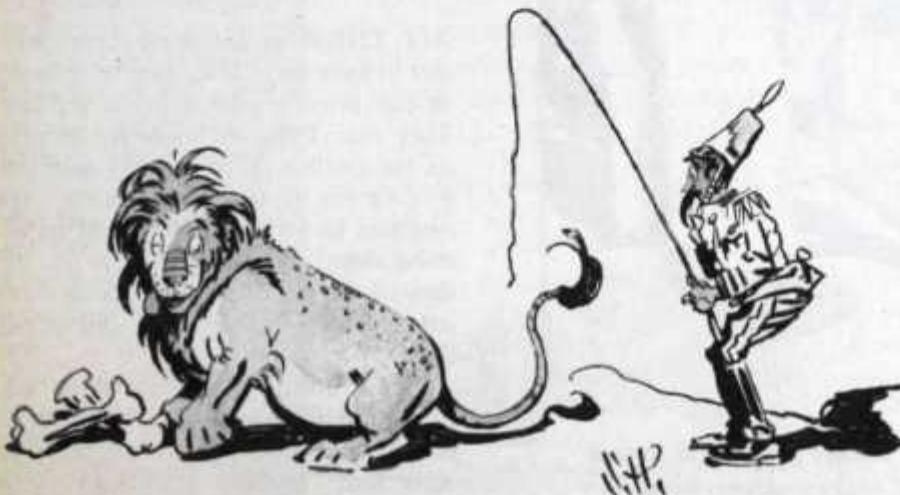
I say the truth "may" lurk behind these simple ideas because it is difficult to be certain of the truth about the nation's utility problem, and any one who sets forth any theories about it and parades them as the ultimate and conclusive truth is either ignorant or dishonest.

So many by-paths, cross streets, alley-ways, tunnels and rabbit warrens, all criss-crossing and entangling with each other, have been built and dug by earnest searchers after public utility truths, that he is indeed a hardy explorer who will claim publicly to have found them even when they leer up at him beneath his very nose.

More emphasis on value

AND yet one of these truths may be this: The public utility business should give the American public fewer accounts of its burdens, its handicaps and its "legal rights," and more of the same simple assurance of getting what it pays for that the housewife has when she buys a bunch of turnips from a vegetable dealer.

There are honest and dishonest vegetable dealers, and there are honest and dishonest public utility companies. But



People don't care about his problems, their sympathies are with the lion

not infrequently even the dishonest vegetable man, if the turnips are round and healthy looking and his selling chatter is friendly and cheerful, can get away with false-bottomed peck measures and make the customer like it; while even the honest utility man selling honest power and decent service for a fair price finds himself sadly unappreciated by the same customer.

In this difficulty he yearns for sympathy and understanding. The next step in his reasoning is to conclude that he will get sympathy and understanding if he "tells his story frankly." I quote the phrase because in the public utility world it is what cynical newspaper reporters would call a "standing head"—one that stays set up to be used any time, like "Jurors Weep as Husband-Slayer Collapses in Court." The third step is actually to begin telling his story.

Hence, when the public pays its gas and electric light bills, its street car fare and its telephone bills, it believes it is buying \$4.50 worth of "the right to a fair return on the investment"; or is

buying \$3.89 worth of "necessary depreciation reserve."

Actually it may be getting its full money's worth in transportation, light, heat and communication, but nobody has taken great pains to make that entirely clear. Great pains have been taken to make the legal standing of the utility perfectly clear—the costs and the rights on which its rates are based, and the hazards and risks it undergoes daily; but the same woman who gets a big kick out of paying \$10 for a perfect duck of a bottle containing 15 cents' worth of perfume, finds it difficult to get the same kick out of paying \$2 for a pound and a half of nice fresh "valuation at the cost of production."

Problems and more problems

IT MAKES not the slightest difference in the world to her that in the long run one is not worth the money and the other is.

Of course the public utility business is full of problems. The utility man faces them constantly. They dog his

steps by day and they spoil his sleep at night. Every morning he steps boldly into the cage with them, positively three performances daily, rain or shine.

He seems to me a good deal like a circus lion tamer, and I believe he begins, after a while, to feel like one. He begins to say to himself every time he goes into the arena with the guaranteed wild and untamed kings of the jungle, "By George, I hope these people realize what a hazard this is! I hope they understand what a brave guy I am! I hope they can see the problems and risks of this job!"

Now, of course, as everybody except the lion tamer knows, the audience pays to see him go into the cage with the lions, not because they thus learn what his problems and difficulties are, but because there is always the jolly possibility that the lions will eat him up.

This unfortunate attitude toward an honest craftsman is entirely the fault of his press agent's manner of educating his audience. Nobody would pay a cent to see a performance full of "hazards and risks" if he were absolutely certain that the performer were not going to get hurt.

More and more utility men nowadays think along the same lines as the lion tamer's press agent when forced to decide between making efforts to acquaint the customer with new and better values in his product, or with new and fiercer headaches in the executive offices.

It is, of course, difficult to make this decision. Actually the headaches and problems are there. Why ignore them? There are tax burdens that should be removed; there are franchise problems, street-paving problems, depreciation problems, valuation problems, rate problems.

But the public isn't interested

ALL THESE problems affect the consumer in some way. They may be reflected in the price of the utility's product. They may have an important bearing on the quality of service the customer gets for his money. Why shouldn't the customer be invited to study and understand them? Why indeed, is it not the duty of the public utility to point them out and help the consumer understand them?

Public utility men everywhere ask these questions today, and plenty of smart public relations men are ready to agree that "problem advertising" is a duty the utility man owes the public. The utility man, hungry for sympathy

(Continued on page 114)



Even the honest utility man selling honest power and decent service for a fair price finds himself sadly unappreciated

C

Announcing the CHEVROLET Roadster Delivery



The
ROADSTER
DELIVERY

\$ 440

Pick-Up Box
Extra

The 1½ Ton Chassis \$520

The Sedan Delivery \$595

The Light Delivery Chassis \$365

The 1½ Ton \$625
Chassis with Cab

All prices f. o. b. factory, Flint, Michigan



Broadening a line of commercial vehicles that has earned outstanding preference among business men everywhere—Chevrolet now presents a new 6-cylinder Roadster Delivery . . . speedier—sturdier—more efficient in every way—yet *priced sensationnally low*.

It is powered with an improved 6-cylinder valve-in-head motor that now develops 50-horsepower. It has a stronger rear axle—an improved clutch—a heavier transmission—and new fully-enclosed, weatherproof 4-wheel brakes. And it is available with a wide selection of pick-up boxes.

If you are interested in getting maximum efficiency from your light delivery service—at the very minimum in cost—investigate this new *low-priced* Chevrolet Roadster Delivery.

Your Chevrolet dealer has the facts. And a trial load demonstration will provide the proof!

CHEVROLET MOTOR COMPANY, DETROIT, MICHIGAN
Division of General Motors Corporation



The Chevrolet Sedan Delivery, adapted from passenger car design, is widely used by specialty shops, department stores, salesmen, etc.



The Chevrolet Light Delivery chassis is available with a wide variety of smart panel bodies—suitable for almost any delivery need.

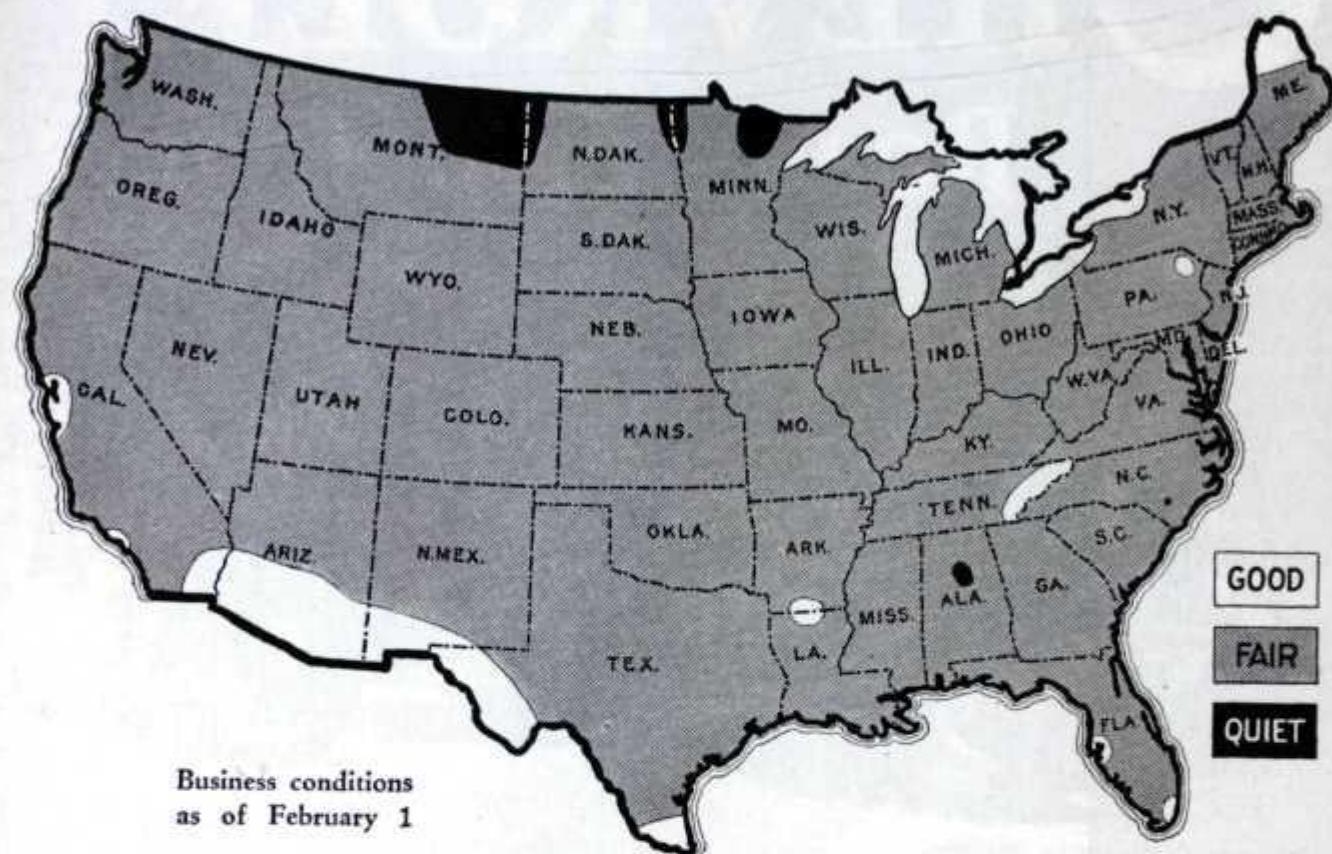
A SIX IN THE PRICE RANGE OF THE FOUR

When visiting a CHEVROLET dealer please mention Nation's Business

The Map of the Nation's Business

By FRANK GREENE

Managing Editor, *Bradstreet's*



INDUSTRY and trade in January—the former gets priority of mention because it has seemed to show the quickest and at the same time the most tangible evidences of betterment—may be said to have disappointed alike the most sanguine and the most pessimistic of observers. In other words, trade has not been as good nor as poor as the two extreme wings of opinion had predicted.

January's events, however, do seem to have proved that the greater part of the first shock suffered from last autumn's happenings in the stock market has definitely passed. For this, credit must be given first to the psychological experiment—the rally of the business leaders at Washington—which took up the first strain, and after that to the easing of money and credit reflected in the creeping advance in the stock market in January and early February.

BUSINESS IS OVER ITS SHOCK

THE greater part of the first shock to business suffered from last fall's stock market collapse has definitely passed. Credit for this must be given largely to the rally of the business leaders at Washington, and also to the easing of money and credit

It seems possible to say, therefore, that the trade ship is now forging ahead on its voyage and, all things considered, is making fair progress in view of the severity of the storm that it successfully weathered two months or so ago.

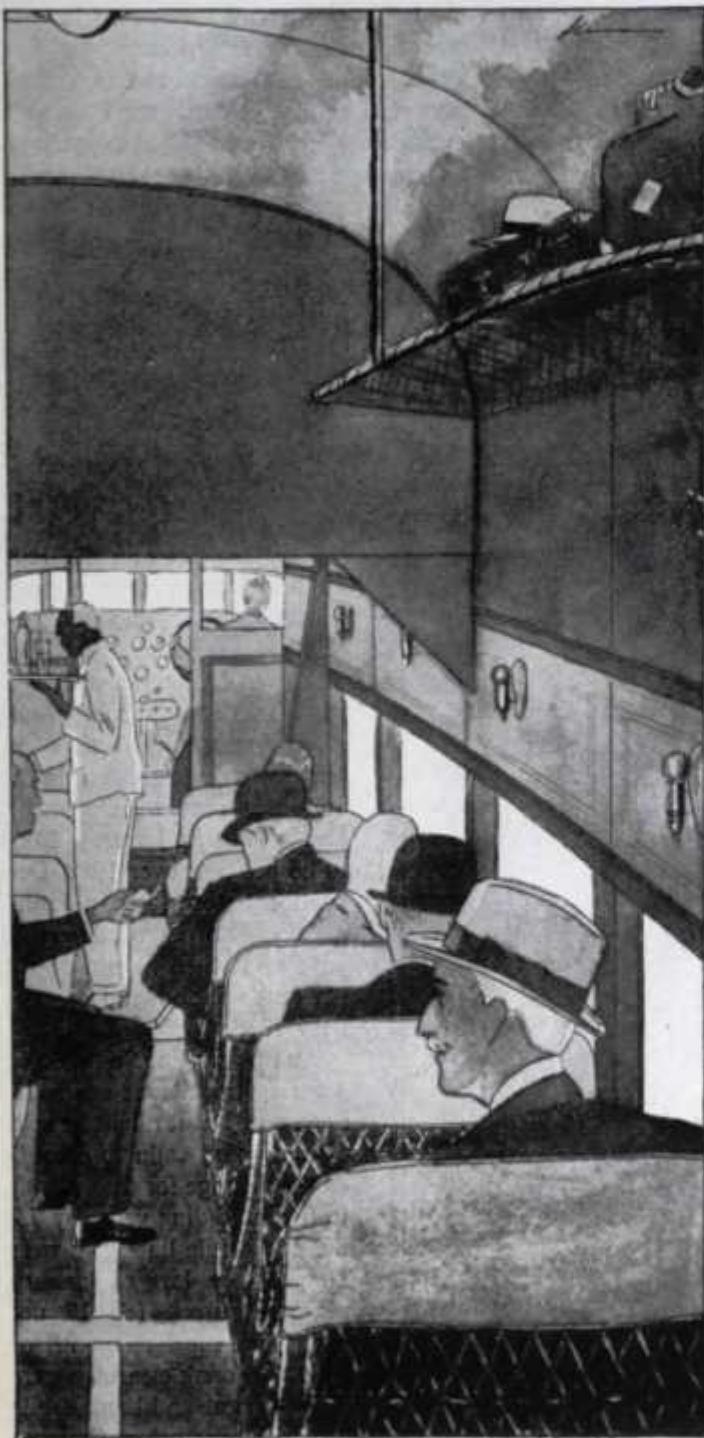
In some quarters a fair amount of surprise has been expressed that past troubles did not do the injury and that newer problems do not appear to hold the threats against business that seemed possible some few weeks ago. In fact, the level-headed attention now being

given to some newer problems gives promise that these will be met and solved when, if, and as they present themselves.

Two comparatively new factors forced themselves upon trade attention during January. One was the execrable weather in the western two-thirds of the country, the other the coming to wide public notice of the deflation in a variety of foods or raw materials, visible some months ago in the price compilations but obscured or ignored by the attention bestowed on more exciting things.

As to the character of the weather in the last half of December and a good part of January, it need only be said that in the larger part of the country it has been such as to have offered a check to business in the best of times. Only those who happened to pass through wide areas of the country westward

BUSINESS MEN ARE GROWING WINGS - THEY FLY!



FOUR times Wright's big tri-motor soared over New York, each time laden with Presidents, Treasurers, and Sales Managers of great American companies. Less than a quarter of them had ever flown before. But all were eager to learn for themselves how planes are used in business.

Now, they know the comfort of flying. They know its ease, they could not help being impressed with its speed and its dispatch. In short, they know the part in business transportation that the airplane is taking in the life of 1930.

Never mind how many planes were ordered, never mind how many Wright motors were sold, the important part was, and is, that fifty more big men were brought to flying.

As soon as the business side of aviation is proven practically to forward looking men ... as soon as aviation's great advantages are experienced in the person, even pre-conceived ideas of its commercial value are raised.

Start today to think of yourself and company in your new element—the air! Study its time- and money-saving advantages. Fly with a safe plane and a dependable pilot. Write to us and we will tell you where and how you can begin your education that will make the air your helper and your servant.



WRIGHT
AERONAUTICAL CORPORATION
PATERSON, NEW JERSEY



from the Alleghanies to the Pacific slope are able to give a clear idea of the combination of unseasonable warmth, heavy rains, overflowing rivers and finally the sub-zero weather that afflicted a large area of the trade territory of the United States from before Christmas to the fourth week of January.

In the general feeling of pleased surprise at the market rally shown in the steel industry, by which mill output was pushed up from 40 to 50 per cent in December to 75 to 85 per cent in January and comparing with 85 to 90 per cent in February a year ago, sight apparently has been lost of the fact that a good deal of the business booked in January was the result of the banking up of potential demand in the last two months of 1929, its release being facilitated by the making of slight concessions in price which thawed out a good many otherwise frozen orders.

Automobiles pick up

THE automobile trade, which despite some talk to the contrary seems to have imbibed some consolation from the well-attended shows, has bought quite freely of the lighter forms of semifinished steel. The backbone of the tonnage output in January, however, seems to have been past heavy orders for rails and cars. Buying of structural steel for heavy construction, the active purchasing by implement manufacturers—whose combined takings, added to the volume of small purchases to provide for the myriad of lighter operations which use this product—made up a good-sized general aggregate.

In the lighter lines of industry the chief activity has seemed to be in shoe manufacturing, the output of silk and rayon and mixtures thereof, with wool and cotton, which have gone into dresses, hosiery, bathing suits and a variety of other manufactures.

Building and its kindred trades, lumber, cement, brick and plumbing and sanitary ware, have been repressed even below the normal seasonal volume by the combination of past overbuilding, bad weather and the rather slow thawing out of the money and credit situation as it affects this important group of in-

dustries. The coal trade has been benefited by the weather but there has been apparently plenty to spare for domestic needs and for use by industries.

Copper prices show gain

THE combination of large stocks of copper and slackness of foreign demand has forced curtailment of production in leading western mining centers. It is becoming evident, however, that with the passage of winter and the recent appearance of good orders for electrical materials for spring work, buyers and sellers may agree on an attractive basis for business in this product which is one of the conspicuous exceptions to the down turn in commodity prices now the subject of much remark.

Lead and zinc seem to be on a better trading basis. Silver, which is today a subject of by-product output to an extent not generally appreciated, has broken all low-price records available for over a century past.

In wholesale and retail trade the pace set suffers by comparison with that shown in the steel and some other in-

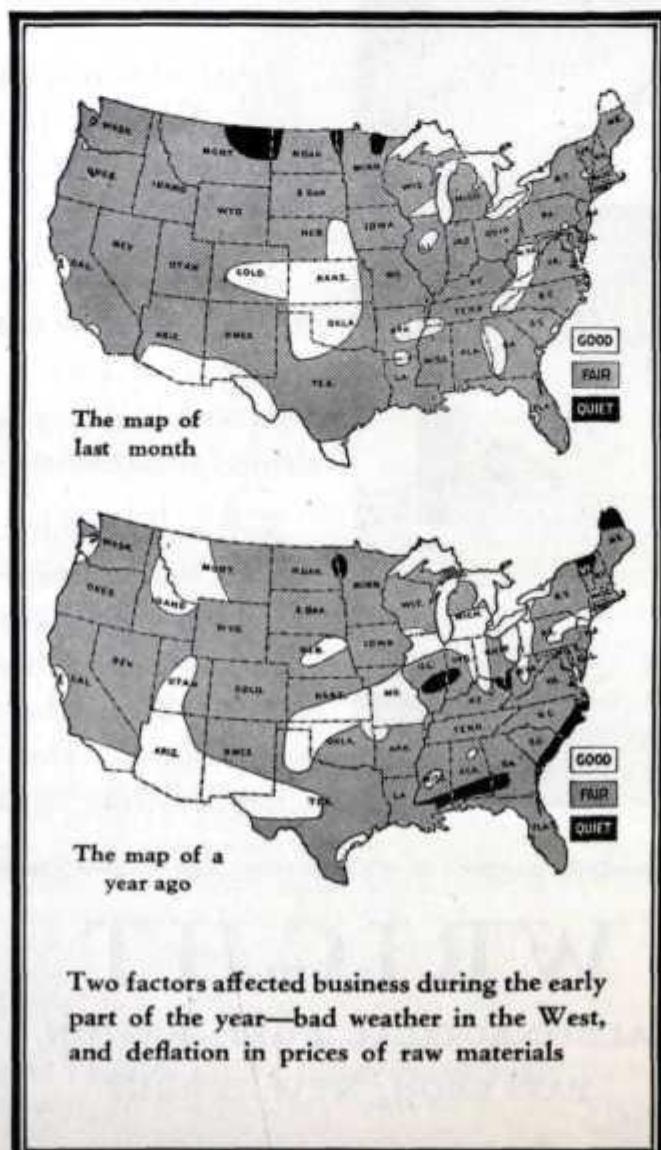
dustries. The textile trades, of course, bulk large in these branches of distribution. While broad silks have done fairly well, the weakness in cotton prices, which like those of wheat, seem to have become entangled in the Farm Board's operations, was a bar to business, January seeing a very general shading of cotton-goods prices which seemed to check buying. Foreign and domestic buying of cotton for the season is now well below the like period a year ago despite the fact that it sells three cents a pound below that date. Cotton-mill curtailment over the year end was very pronounced and is expected to continue for a time at least.

Chain and mail sales increase

THE weather also was a physical drawback to general wholesale trade, buying in which is said to be very conservative. Retail trade was affected by the weather, especially in the West, but the early reports of chain and mail-order stores sales, while showing smaller gains than in the months of 1929, still mark moderate advances over a year ago in January. Examples of this are the gain of 9.5 per cent over January a year ago in chain and mail-order stores reporting to date of writing, as against a gain of 10.9 per cent in December and a gain in January 1929 of 25 per cent over 1928. Department-store sales in January lost two per cent from a year ago, when a gain of six per cent was shown over January 1928.

At this writing, returns of January operations are rather meager but it might be said that January failures exceeded the average for that month in five preceding years by 7.2 per cent while liabilities were 30 per cent larger. January pig-iron output fell 17 per cent from the like month of 1929 and bank clearings were 22.2 per cent and bank debits 25.4 per cent below those of January, 1929.

February 1 price-index numbers showed a continuation of the weakness noted in the late months of 1929. Bradstreet's Index Number as of the above date showed a decline of 1.4 per cent from January 1 this year, of 9.3 per cent from September 1 and of 11.3 per cent from



DIAMOND RIB LATH
SWING STEEL DOORS
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HAULER JOISTS
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LOCKTYPE LATH
DOUBLE-HUNG STEEL WINDOWS
PIVOTED AND CONTINUOUS STEEL WINDOWS
STANDARDIZED CASEMENTS WITH CASEMENT SCREENS
PROJECTED STEEL WINDOWS
TERRODECK
STEELDECK ROOFS
INSULATED AND WATERPROOFED
TERROBORD
I-PLATES
STANDARDIZED BUILDINGS
Pitched Roof Types
SERIES "A" TYPE 1
SERIES "A" TYPE 2
SERIES "A" TYPE 3
SERIES "A" TYPE 3H
SERIES "A" TYPE 4
SERIES "A" SAWTOOTH TYPE
Flat Roof Types
SERIES "B" TYPE 1
SERIES "B" TYPE 2
SERIES "B" TYPE 3
SERIES "B" TYPE 3H
SERIES "B" TYPE 4
SERIES "B" TYPE 4H

Truscon's 27 years of experience gained in hundreds of thousands of buildings—its great resources and manufacturing facilities—its complete lines—its nation-wide engineering and erection cooperation—and its coast-to-coast warehouse system provide important advantages to any company planning to build. Some of these advantages are—

Better and more efficient products for every need plus the economies of standardization.

Prompt delivery anywhere in any quantity.

Efficient centralization of purchasing with a consequently reduced handling cost and overhead—and the elimination of costly delays.

Cooperation with architects, contractors and builders to insure the most efficient and economical use of permanent building products.

TRUSCON STEEL BUILDING PRODUCTS

Architects, contractors, builders and owners regard Truscon as the leading authority on permanent construction and the central source of supply for all steel building products. Truscon is the world's largest manufacturer of such materials. Its several plants are strategically located.

Consultation with Truscon when you plan to build gives you a better building in quicker time and at lower cost. Business men throughout America have found that when any building project is involved it pays to consult Truscon first. Write us about your requirements.

TRUSCON STEEL COMPANY, YOUNGSTOWN, OHIO

Truscon Steel Company of Canada, Limited, Walkerville, Ontario

Warehouses and Offices in Principal Cities

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February 1 a year ago, the peak point of last year. The index number on February 1 indeed was only 8.4 per cent above the number ruling on June 1, 1921, while 44.8 per cent below the peak of February 1, 1920.

A sidelight on North American trade comes from Panama in the shape of reports that traffic through the canal is likely to show some recession, owing to the fact that export trade in wheat and to some extent lumber from our Pacific coast and the like parts of Canada has been reduced. From far-off Australia comes advices that reduced shipments of wheat and of wool, the latter at lower prices than a year ago, are a source of concern to that country's officials.

A few late returns by industries as to the calendar year 1929 show rather general gains. Petroleum production, despite agreements to curtail output, totalled 1,005,000,000 barrels, a gain of 11.5 per cent over 1928. Consumption, which was about 75 per cent of the above production, exceeded 1928 by 1.6 per cent.

More gasoline made and used

GASOLINE output was 434,000,000 barrels, a total 15.2 per cent above 1928, while consumption, despite a slight decrease in December, exceeded 1928 by 13.2 per cent. Electrical output in 1929 exceeded that in 1928 by 10.7 per cent and was double that of 1922, seven years

ago. Wool consumption in 1929 was the largest since 1923, and exceeded that in 1928 by 8.7 per cent.

Export trade in domestic products in 1929, at full tide up to late spring, ebbed thereafter, and while the year's total was the largest since 1920, it was only 2.5 per cent more than the total for 1928. Imports, which, like exports, fell heavily in the late months of 1929, exceeded those of 1928 by 7.5 per cent. Larger imports of crude materials and purchases to anticipate the expected new tariff expanded incoming trade, while smaller exports of cotton, grain and dried fruits helped to offset somewhat the much larger exports of manufactured goods. Chief among these last were automotive products, machinery, metals and petroleum which broke all records. Building-permit value for 1929 fell 11.8 per cent from 1928 and 24.9 per cent from the peak year 1925.

Business Indicators

Latest month of 1930 and the same month of 1929 and 1928 compared with the same month of 1927

	Latest Month			Same Month		
	1928	1929	1928	1928	1929	1928
<i>Production and Mill Consumption</i>						
Pig Iron	91	111	92			
Steel Ingots	100	118	109			
Copper—Mine (U.S.)	102	118	93			
Zinc—Primary	90	87	92			
Coal—Bituminous	84	87	79			
Petroleum	114	114	101			
Electrical Energy	127	118	106			
Cotton Consumption	80	96	98			
Automobiles	114	161	97			
Rubber Tires	85	140	104			
Cement—Portland	104	113	112			
<i>Construction</i>						
Contracts Awarded—36 States—Dollar Values	80	103	111			
Contracts Awarded—36 States—Square Feet	58	107	119			
<i>Labor</i>						
Factory Employment (U.S.)—F.R.B.	95	98	96			
Factory Pay Roll (U.S.)—F.R.B.	95	100	96			
Wages—Per Capita (N.Y.)	101	102	100			
<i>Transportation</i>						
Freight Car Loadings	93	99	96			
Gross Operating Revenues	89	94	89			
Net Operating Income	92	118	68			
<i>Trade—Domestic</i>						
Bank Debts—New York City	112	175	121			
Bank Debts—Outside	113	114	103			
Business Failures—Number	112	103	107			
Business Failures—Liabilities	119	105	93			
Department Stores Sales—F.R.B.	98	101	100			
Five and Ten Cent Store Sales—4 Chains	117	113	108			
Mail Order House Sales—2 Houses	143	135	106			
Wholesale Trade—F.R.B.	92	97	98			
<i>Trade—Foreign</i>						
Exports	93	102	88			
Imports	87	94	92			
<i>Finance</i>						
Stock Prices—30 Industrials	163	197	128			
Stock Prices—20 Railroads	121	127	115			
Number of Shares Traded	173	306	163			
Bond Prices—40 Bonds	97	100	103			
Value of Bonds Sold	60	71	83			
New Corporate Capital Issues—Domestic	200	158	161			
Interest Rates—Commercial Paper, 4-6 months	119	133	94			
<i>Wholesale Prices</i>						
U. S. Bureau of Labor Statistics	96	99	99			
Bradstreet's	92	104	108			
Fisher's	97	101	99			
<i>Retail Purchasing Power, July 1914=100%</i>						
Purchasing Power of the Retail Dollar	62	62	61			
Purchasing Power of the Clothing Dollar	59	58	58			
Purchasing Power of the Food Dollar	63	64	64			
Purchasing Power of the Rent Dollar	63	62	60			
[†] Excludes Boston, Cleveland, Chicago, Los Angeles, Phila., Detroit, San Fran., and New York.						
[*] Preliminary.						
^{**} If December 1929 is latest month, percentages are based on December 1926=100%.						
Prepared for <i>Nation's Business</i> by General Statistical Division, Western Electric Co.						

Wheat prices come down

THE ability of Europe to out-wait this country and Canada by holding off free purchases of wheat was apparently justified by the severe break in prices in January and the first two days of February, when declines of 15 to 16 cents in May and July delivery at Chicago were scored from the opening prices of the year. The Minneapolis market showed declines of 17 to 19 cents on the same options, while Winnipeg showed declines of 19 to 20 cents. March delivery of wheat at Chicago fell 50 cents from the highest price last year. Cash wheat showed more strength, but still No. 1 Northern at Minneapolis fell from \$1.30 on January 3 to \$1.14 on February 3, Chicago No. 2 hard dropped from \$1.28 to \$1.15½ in the like period and No. 2 hard at Kansas City from \$1.24 to \$1.07. The prices for the above grades at the three markets at the low of May 31, 1929, the high of July 29 last and the close of February 3, 1930 make the following comparisons:

May 31, July 29, February 3,
1929 1929 1930

Kansas City	\$89	\$1.31	\$1.07
Chicago	.98	1.42	1.15½
Minneapolis	.94	1.47	1.14

It is only fair to say that a sharp rally followed the slump on February 3, 1930 but the above exhibition of prices is interesting as showing what happened in a year when short crops were offset by a record visible supply and European carefulness in buying. It might be added that the Farm Board did not begin to operate until after July 15, 1929.

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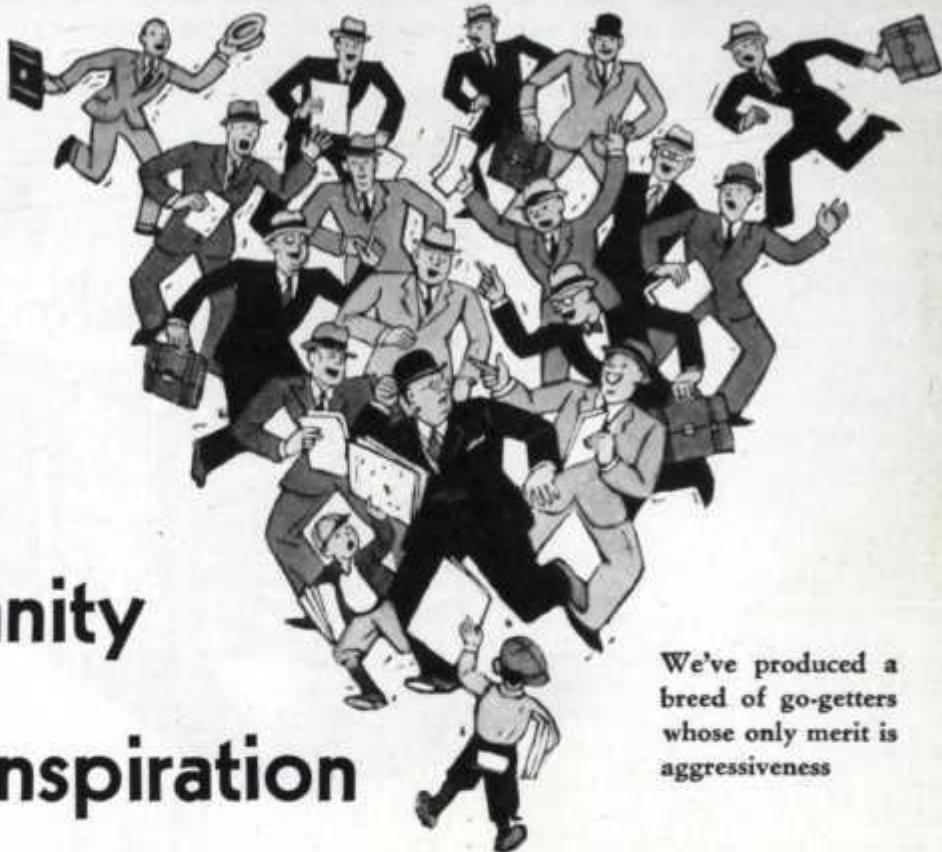
Combines a flat surface for quick insertion and accurate alignment of forms with a cylinder platen for the greatest speed in posting. Electric carriage return, automatic selection of columns, automatic punctuation and automatic tabulation; these and other Burroughs features speed production, promote accuracy, reduce operator fatigue and save accounting expenses.

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ADDING • BOOKKEEPING • CALCULATING AND BILLING MACHINES

★THIS article should really have been printed in a magazine for writers. However, we saw it first and liked it. Behind its facetiousness is a sober thought.



Give Us Sanity And Less Inspiration

By FRED B. BARTON

ILLUSTRATIONS BY J. D. IRWIN

LAST night we dined with the head of a large chain-store company. The door bell rang. Informally, the host himself answered the bell.

"Yes, I'm Mr. Octagon," he replied pleasantly. "What's that? You want to see me about a job? Why, my dear man, I don't hire anybody. . . . Yes, yes I know. . . . But the man who does the hiring is Mr. Jenkins. You can see him at our office in the morning. . . . I never transact any business here at home, and I never go over the heads of my men to do their work for them."

That should have been final, but the applicant was superinsistent. We heard him forcing the issue.

"Why, no, I won't give you a note of recommendation to Mr. Jenkins," answered the chain-store chief with pardonable exasperation. "I don't know you. You'll have to take your chances with the other men who apply for jobs. Why should you bother me here at home? It's not good manners."

A reluctant pair of feet trailed down the porch steps into the night. Our host closed the door firmly and came back to us.

"Another one of those go-getters," he growled.

The word, as he spoke it, carried a curse.

Go-getters and ill manners

"THAT'S the product of all our business fiction," he continued, giving an enlightened version of an old subject. "We've taught our young fellows, through success stories and inspirational articles, never to take 'No' for an answer. We've convinced them that the Man Who Gets There is the man who hurdles obstacles and climbs porches to gain a first-hand audience with the Big-Man-at-the-Top.

"As a result, we've produced a breed of ill-mannered brats who have the crust of traffic cops and the assurance of bell captains. The only merit they know

We've produced a breed of go-getters whose only merit is aggressiveness

is aggressiveness. But humility, modesty, reserve, caution, diplomacy, common sense—all these virtues are ignored.

"I'm tired of these boys who grab the bit in their teeth and fling themselves at you," he concluded. "I'll trade two go-getters for one cripple with deference and manners and some respect for the intelligence of his elders."

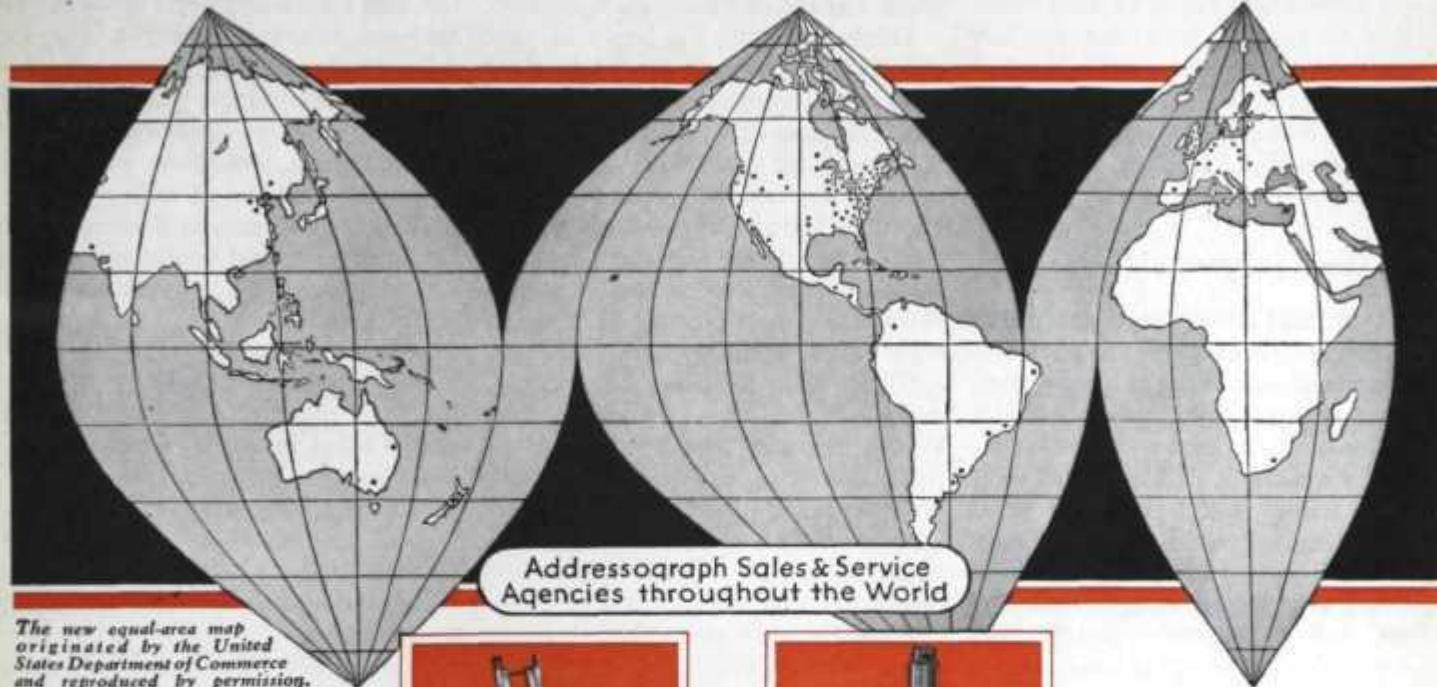
The viewpoint was new to me. But I could see it was the outgrowth of many encounters with lads having too much cheek.

I thought back to the days when insurance men also had no quality but persistence. How many years they retarded the growth of insurance, no man knows. But certainly those well meaning incompetents who seized every opportunity to buttonhole you and talk up insurance drove many a man into a corner and built up a hatred for insurance methods which was years dying down.

If you said howdy-do to the man opposite you in a restaurant he pulled a calling card on you and suggested a new policy.

You couldn't be decent to a man at your club without finding he was anx-

IN THE WORLD WIDE SERVICE OF ALL BUSINESS!



The new equal-area map originated by the United States Department of Commerce and reproduced by permission.

THROUGHOUT civilization, wherever the footprints of progress lead to business achievements, Addressograph service is known and used.

A vast international organization is working in the cause of better business methods—quicker methods, more economical methods, more accurate methods.

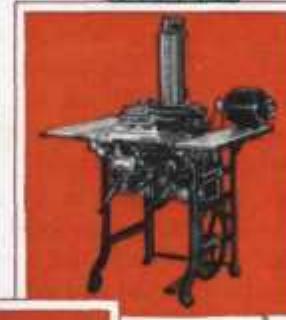
In your community, hundreds of concerns are taking advantage of this business service — this *modern service*. Addressographs are writing names and data on countless varieties of forms, in practically every line of business, 10 to 50 times faster than the



Class 5200 Dupli-graph produces 500 personalized letters per hour. Name and address, salutation, body of letter and date are all printed at one operation in typewriter style type thru same ribbon. Price \$300. Other duplicating machines from \$57.10 to \$1,225. Prices f. o. b. Chicago.



Small Addressographs operate at speeds from 500 to 1,800 impressions per hour. Prices from \$20 to \$264.75, f. o. b. Chicago.



Electric and automatic Addressographs imprint all kinds and sizes of forms — speeds from 2,000 to 12,000 impressions per hour. Electric machines priced from \$195 to \$713 — automatic machines from \$595 to \$12,750. Prices f. o. b. Chicago.

work can be done by hand methods — statements, ledger sheets, shop and store forms, stock records, shipping tags, pay and dividend checks, collection forms, sales letters, circulars, envelopes, post cards, etc.

Telephone the local Addressograph representative near you, or write to Addressograph headquarters. Your request will bring

advice and information based on experience.

Sales and service agencies in the principal cities of the world
ADDRESSOGRAPH COMPANY, 909 W. Van Buren St., Chicago
 Canadian Head Office and Factory: Addressograph Co., Ltd.,
 10 Front Street W., Toronto, 2, Ont.

European Head Office and Factory: London, England.
 Manufacturers of Graphotype Addressograph Dupli-graph
 Cardograph Speedumat

Addressograph

TRADE MARK

PRINTS FROM TYPE

ious to protect your loved ones against the gaunt and gruesome future.

Those were days when no man could call his soul safe from pernicious salesmanship running amuck.

Those were days when the insurance industry had no standards or ideals or even self-respect. Afraid to limit themselves to an eight-hour day for fear some prospect would escape them, solicitors carried their profession on their hips for a full 24 hours, assaulting prospects on street corners, in clubs, in drawing rooms and homes. No place was safe.

Good judgment in selling

FROM that disordered state has evolved a type of insurance man who holds enough confidence in his merchandise to feel certain that people will buy it. Moreover, he knows that when insurance is oversold it does not stay sold; that many a policy purchased by a tired listener is canceled after a few payments. It is better all around, men have learned, to make purchasers *want* insurance, and to maintain decent office hours instead of peddling their policies in byways and on street corners.

But the great fund of go-getter literature makes no suggestion about respecting a man's privacy. Never in works telling how young Algernon got to the top do you read a mention of how he waited till tomorrow to see a man at his office, rather than corner him tonight in the showerbath of the golf club.

All our literature has gone to build up a race of go-getters. And now heaven itself can't protect us from them.

Literature has another sin to answer for, if business ever demands an accounting.

That sin is telling young people it's brave and heroic to overwork.

Think back over the books of your childhood and see how every hero story nullified the teachings of a score of doctors and aunts and even mothers.

"Brush your teeth, Willie," said your nurse. But you did it grudgingly. Had Hawkeye Harry, your idol of the moment, ever wasted any time brushing his teeth? Toothbrushes were for women—you knew that! Not for he-men and boys with stamina in them.

"Chew your food more thoroughly, my boy," your father would counsel kindly. But how could you spare the time? Wasn't fearless Frank Merriwell just that minute facing his life's greatest enemy, with scarce time to gulp a mouthful before he returned to the fray?

Even Lincoln's example was unhygienic. Who does not recall the story of the boy-president tying a wet towel around his head to keep him awake, that he might study a borrowed book more fiercely?

Many of us grew into young manhood convinced that bodily weakness was silly and that every time we skipped a meal and worked till late at the office, we were being brave and sensible.

"I'm on a crackers-and-milk diet for my sixth month, but I'm getting better," a New Yorker said to me. An important official of a newspaper syndicate, he could afford caviar and chicken, but his stomach rebels.

"I always had the idea I could do two men's work and never know it," he confesses soberly. "Many a day I'd drive myself to handle more correspondence and talk to more people and write more of our broadside advertising material. Finally something snapped. I had colitis, and had it bad.

"I've been to sixteen doctors in the last three years and finally am holding myself to a sensible diet that can't help but make a man of me. I paid for my foolishness, all right!"

Said a prominent newspaper editor from the other side of the table, "I nearly killed myself in identically the same fashion.

"I thought it smart to come to work without breakfast and work straight through supper without a stop. I was young and healthy and nothing seemed to matter.

"But one day I was seeing black spots and feeling like a corpse, and inside of an hour they had me flat in bed. That spell of sickness almost cost me a promotion. It came just in time to teach me a sensible attitude toward health."

Why should a man need to learn to safeguard his health, all alone?

Why should the reading of a lifetime—be it Scott or Diamond Dick or your latest detective story—give you as an ideal a man who ignores teeth brushing and simple hygiene and fights on without weakness?

Literature can teach us

DON'T we need—seriously—a type of fiction that makes it manly and sensible to pause, let us say, for ten minutes after breakfast for nature to catch up, instead of dashing from the table to assault Indians and unravel a knot?

It seems to me that literature can teach us manners and health, without making us mollycoddles. If today we are hasty and overaggressive, dyspeptic and grouchy, that is the fault of our fiction.

Business has to correct the faults which our educational system creates. Some tired executive has to toil with the faulty school-girl spelling of a careless stenographer.

Why can't literature correct its own evils? Business has a right to demand that those who inspire the young men of the future do something to make them worth giving a chance.



The growth of insurance was retarded for years by incompetents who harassed you for a new policy

Add COMPOTYPE savings to your MULTIGRAPH savings



The Multigraph Compotype, either Lever or Keyboard model, takes a strip of metal and turns it into lines of type at a cost for material of one third of a cent for a six-inch line of composition. No other method of composition has so low a material cost.

You can avail yourself of this economical production method in two ways: 1—You can have one or more Compotype machines in your own office. 2—You can obtain address plates or blankets produced on Compotype equipment from Multigraph division offices.

In either case you can add to the savings effected by the Multigraph in your business. Let a Multigraph representative give you complete details.

AMERICAN MULTIGRAPH SALES COMPANY
1806 East 40th Street Cleveland, Ohio

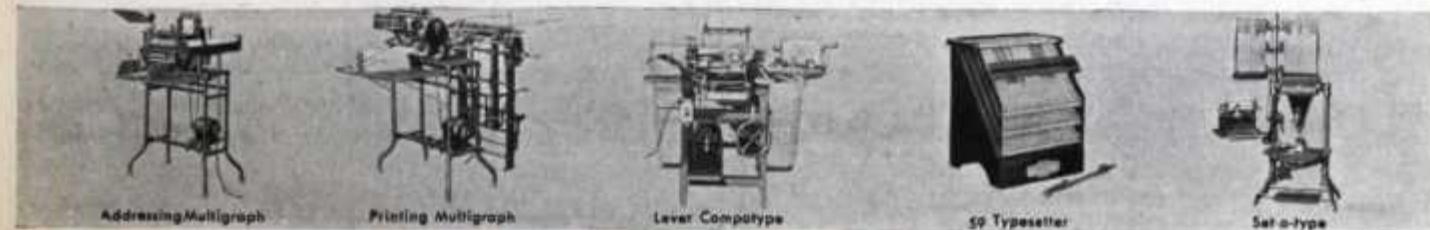
• • •

DO YOU KNOW YOUR MARKET?

We have developed Multigraph equipment to meet the special requirements of today's conditions which put a premium on selective selling.



— The MULTIGRAPH Line —



They Don't Buy for Quality Today

By AN OBSERVER

DECORATIONS BY DON MILLAR



DOWN below the Mason-Dixon line, before the Civil War, there was a distinctive type of southern gentleman known as "Colonel."

These "Colonels," for there were many of them, enjoyed a life that has been represented as probably the most satisfactory on record.

Settled comfortably on vast estates, they employed superintendents who relieved them of the responsibility of crop production, slave administration, and various routine matters, leaving them free to sit on their wide, cool verandas, sipping mint juleps and discussing fast horses or admiring beautiful women.

The Civil War brought a great change

The southern "Colonel" suggests a moral the modern retail store must heed

in the lives of these "Colonels." Slaves lost, plantations ruined, and their personal fortunes gone, they had to make a quick adjustment to meet a new and uncomfortable condition. Some of them, caught in the whirlpool of post-war developments, succumbed without a struggle. Some, however, were able to revise their standards and habits, step into the front rank of the readjustment and follow an entirely new route to success.

THIS man knows a store that is slipping and believes he could save it by emphasizing price appeal. He is not a merchant, merely an observer, but the outsider's views are always interesting whether or not we agree with them

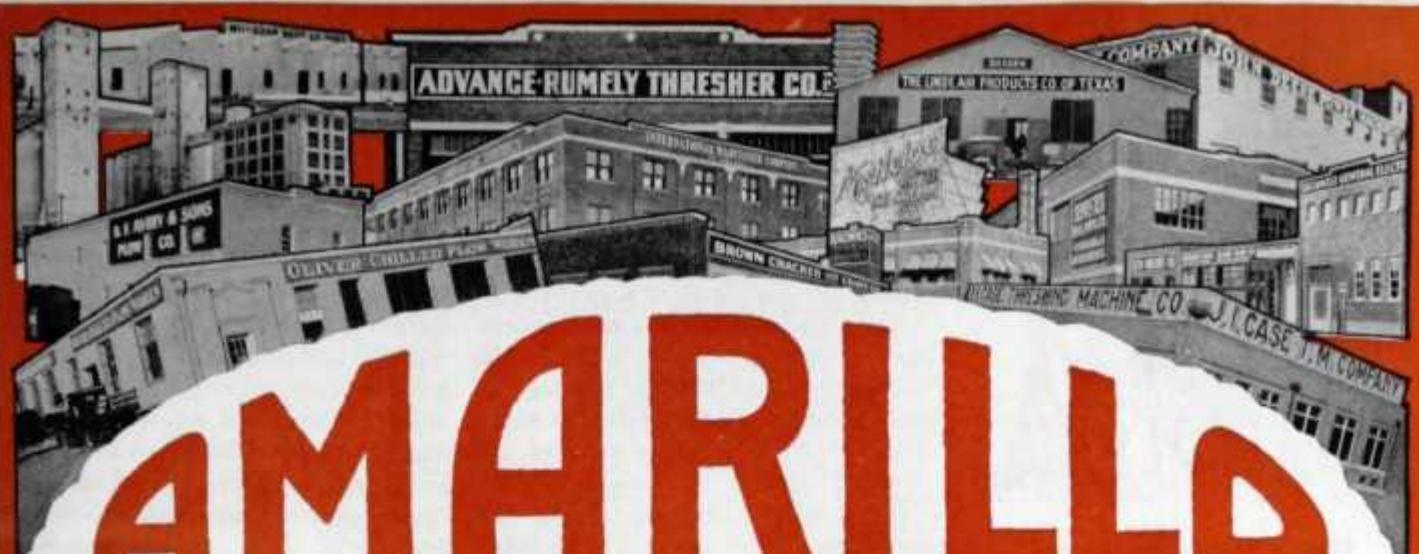
Others could not adapt themselves to the sudden change and stubbornly held onto the customs and traditions of the past.

These men, with their goatees straggled, their clothing seedy and their hearts broken, were still southern gentlemen, suh; too proud to admit defeat and to mold their lives anew. They held firmly to their beaten paths.

The inevitable came to them, just as it is coming to that group of merchants who, unable to adapt themselves to the changes in business conditions, are stubbornly holding to the customs and practices of yesteryear. Their stores are free from the shoppers who

used to patronize them and they have become accustomed to seeing shrinking lists of accounts; but they are still the old-time independent merchants, suh, too proud to admit a change and to mold their policies anew.

I speak as no business authority, but as an observer who, for four years, has been rather closely associated with a small city store of the old school—a store that is altogether too typical in



AMARILLO

A \$150,000,000 Distributing Center



WHOLESALE SALES 1929	
Auto Accesories and Tools	1,121,000
Automobiles, Passenger	7,440,000
Automobiles, Trucks	2,147,000
Bakery	2,041,000
Beer and Beer	80,000
Building Materials	4,830,000
Cigar and Tobacco	1,272,000
Clothing, Women's	1,121,000
Clothing, Men's	125,000
Compressed Air, Oregon, Etc.	700,000
Cook, Wood and Gas	2,487,000
Condiments, Ice Cream and Soft Drinks	3,002,000
Dairy and Poultry Products	5,121,451
Dental and Surgical Supplies	297,000
Drugs	2,181,161
Dry Goods and Stationery	225,000
Electrical Apparatus, Supplies, Etc.	2,010,000
Electrical Supplies	20,241,000
Farm	85,000
Fruit and Vegetables	2,471,000
Furniture, Household, Manufacturing, Furniture	1,723,000
Gasoline, Oil, Alcohol and Auto-Fixins	2,642,000
Grocery and Delicatessen	18,717,217
Hardware and Queenware	10,814,000
Hosiery, Gloves and Stockings, Commercial Cakes and Halls	16,347,000
House and Street	4,000
Iron and Steel	1,500
Janitor Supplies	11,000
Jewelry	11,000
Leather	21,000,000
Live Stock	21,000,000
Mats, Poultry and Fish	8,721,150
Musical Instruments and Sheet Music	85,100
Office Equipment, Store Fixtures, Hotel Supplies	1,217,000
Optical Goods	101,018
Petrol, Oil, Varnish and Glue	1,250,000
Paper, Writing, Graphic	2,031,000
Photographic, Commercial Art	21,000
Plumbing and Heating Fixtures and Supplies	2,499,000
Radio	187,100
Stationery, Books and Magazines	181,000
Toys, Curios and Wall Supplies	411,000
Trunks and Leather Goods	77,000
Total	\$151,611,959

ADVANTAGES have been concentrated at Amarillo which make it the principal wholesale mart for the 850,000 people of a trade area larger than Pennsylvania.

Rail lines radiate in nine important directions to provide direct transportation to practically every community served; and these unusual facilities are supplemented by twenty Class A truck lines which operate more than 200 trucks out of the city on regular schedules over designated routes.

Outside cities equal in size and distribution facilities are from 274 to 464 miles distant. As a consequence Amarillo is by far the closest, quickest, and cheapest wholesale source for practically all of the needs of this extensive, important trade area.

These facts suggest the basic considerations which have caused scores of manufacturers and other national concerns to locate branch houses, sales offices, district offices, warehouse stocks, and representatives at Amarillo; and unless the list includes you, it is likely that you should analyze the city again at this time.

Amarillo's new Standard Market Survey, and a 32-page descriptive analysis of the merchandise distribution and other advantages of the city, have just been published. These are yours if you will address:
Chairman, Publicity Committee . . .

AMARILLO CHAMBER OF COMMERCE

AMARILLO, TEXAS





People bought quality and handed it on to their children and grandchildren

some parts of the Middle West. In an entirely informal way and for my own pleasure only, I have studied this establishment, particularly its advertising and merchandising practices. My conclusions, shared by the young man who heads all but two of the store's departments, are in direct contradiction with any advertising or merchandising rule that recommends subordination of price to quality and service.

This particular store has been established for more than a quarter of a century and its control has never been out of the hands of the family that started it. The son who now owns it learned the business from his father and carries out his father's original idea of a "quality and service" store.

He is making money, indicating that his practices are not all wrong; but he is not making the money he should be making, in actual dollars and cents, figuring the type of store, its long presence in the community, its good will, and the fact that it is the largest store in the city.

They seek price now

IN THE old days this establishment drew trade from many nearby communities. Business was good in every department. It had competition, to be sure, but it was quality and service competition, and on those two items there was no question as to its superiority. It advertised quality and service, subordinated price, and prospered.

It still advertises quality and service, it still subordinates price, and today it is not doing

a great deal more business than it did years ago. Something, it may be seen, is the matter.

In the past few years an even dozen chain stores have come into the community to compete in one or more departments with my "Colonel" type of store. Some of them compete in practically every department. All of them feature low price.

They are all doing a good business, most of which used to come to the "Colonel" establishment, proving, in part, that advertised low price has something to do with the decline of the "Colonel" store.

Occasionally, although rarely, the owner of this store consents to bargains. He dislikes the word "bargain" but once in a while he permits it to be used. Every time I have watched the store closely and, if his prices are within hailing distance of the chain-store prices, he gets the business. That has happened not once, but every time. It proves, to my satisfaction at least, that people are interested in quality and service and price, when all three are put together, more than they are interested in price and doubtful quality and service; but, forced to choose between quality and service with high price, and doubtful quality and service with low price, they pick the latter.

This particular store's quality and service are accepted as being of the highest. That is as it should be. Quality and service have been advertised as that store's foundation for more than 25 years. Its good will has been founded on those two items. Yet, when buyers pass up the quality and service and go

to places where they can get price, the only conclusion to be drawn is that the buyers are looking for price. That being the case, the store that subordinates price is wasting its advertising money.

Style demands a low price

IT IS easy to see why price plays such an important part in merchandising. In the old days A-1 quality was purchased because merchandise was expected to last for years and years. Furniture was handed down from generation to generation. A suit of clothing was expected to wear indefinitely. There were no "yearly models" to speak of, and not one family out of two hundred in the Middle West paid any attention if there were.

But part of the merchandising change now centers around the "yearly model" habit. Who, for instance, would spend \$100 for a suit of clothes and throw it away in six months?

To keep in style a \$50 suit is purchased, thrown away six months later, and another \$50 suit bought to keep up with the changing designs.

What young married couple now purchases a living-room suite expecting, some day, to hand it down to the grandchildren? Instead, they purchase a living-room suite for a price, knowing that when the styles change they can discard it without much loss of investment, and buy an up-to-date one with a total expenditure under that of a quality suite in the first place.

Then, too, this fact remains—we hear a great deal about prosperity but hundreds and thousands of men still are

working for \$35, \$40 and \$45 a week. Tempted on all sides by easy payment plans, with cars, furniture, radios and even clothing made available to them on that basis, they must not spend much on any one item if they are to buy all.

Quality must be sacrificed for price. If they are to have all the things their friends have, and discard the old for the newer styles at stated intervals, they must buy where their dollars go far, even though the quality is inferior. The tendency, then, is to sacrifice quality for price, and the problem of the old time store is to combat the natural trend with as much tact as it can.

Certain stores, finding it
(Continued on page 222)



When people discard the old for newer styles, dollars must go far

ONE MECHANICAL HAND



DOES THE WORK of many human fingers

PROBABLY you are using all the *standard* machinery common to your industry. Yet there are certain operations in your plant that are slowing up your whole production process, or losing money through excessive spoilage and waste because they must be performed by hand.

A few years ago, in a case of this sort, all that a manufacturer could do was to grin and bear it. Today, you can call in Special Production Machines, who will strengthen the weak spots in your production by designing machines to perform the operations now done by hand, or by perfecting and speeding up your present machinery.

Special Production Machines has already saved

thousands of dollars for manufacturers in widely diversified lines. In a number of cases, we have cut down waste and improved the finished appearance of the product as well. In almost every instance we have been able to help them in one way or another . . . Any improvements . . . any new machines or methods installed by us are kept confidential . . . No other manufacturers can ever derive the benefits of our work in your plant.

A booklet describing the services of Special Production Machines . . . and how it is serving manufacturers, will be sent on request . . . Special Production Machines, Norfolk Downs, Massachusetts.

Special
PRODUCTION MACHINES

A Division of PNEUMATIC SCALE CORPORATION, LIMITED

For over thirty-five years Pneumatic Scale Corporation, Limited, has manufactured automatic labor-saving machinery for many of the world's largest producers of merchandise

The SECOND GENERATION



DOWN the length of the great room goes a steady hum of sound, under-toned with the rhythm of a hundred busy typewriters and the buzz and click of conveyors. It is the Educational Service Division of the International Correspondence Schools, at Scranton, and the morning mail is in.

Watch one letter among the orderly thousands—a letter bearing the post-mark of an up-state town in New York. It is opened, and by the deft manipulations of the sorters it moves to a desk far down the room where a clerk takes it from the top of the pile and reads it. An enrolment application for the Course in Business Management, signed by Robinson V. Carter, Jr.

When the clerk has typed the name and information on a yellow card, she steps over to the long line of cabinets

where close to four million students' names are filed. And as she is about to insert it in its alphabetical order her eye falls upon another card, old and discolored and worn with many handlings. "Robinson V. Carter" it reads, "Course in Foundry Practice," and the date it bears is 1900.

There is a story of human progress behind those two cards.

Back in the days when the country still echoed to the martial strains of "Hot Time in the Old Town," and Admiral Dewey's picture, laurel-wreathed, hung on a million walls, a young man came back from the war to his job in the foundry. He wanted to get ahead, but lacked technical knowledge. There was a school in Scranton, he heard, that taught all kinds of subjects by mail, and he was interested enough to write and find out.

That home-study course with the International Correspondence Schools gave him his start. He went up, steadily, to Foreman, Superintendent, General Manager. Today he owns the plant, and his son—a college graduate—is studying with the I. C. S. that he may help build the business.

In our files there are many stories of fathers who have won success through I.C.S. study, and are now urging their sons to take the same sound training.

So it is that this largest of all educational institutions is now serving its second generation of usefulness to America and the world.

There is a booklet, "The Business of Building Men," which outlines the vast service the International Correspondence Schools are performing for Business and Industry. We shall be glad to send you a copy on request.

INTERNATIONAL CORRESPONDENCE SCHOOLS

FOUNDED 1891
SCRANTON, PENNSYLVANIA

MEMBER, NATIONAL
HOME STUDY COUNCIL

When writing to INTERNATIONAL CORRESPONDENCE SCHOOLS please mention Nation's Business

The Saga of Flour Milling

By JAMES F. BELL

President, General Mills, Inc.

ALTHOUGH the making of flour is an ancient, basic and stable trade, dating back to the dawn of civilization and, in primitive form, even to prehistoric times, it is not immune to the spirit of change which has come over all American industries in recent years.

As long as flour milling was individualistic, changes and improvements in the method of grinding came slowly. The crude stone mortar in which the women of Solomon's time did the household milling was succeeded by the saddle-stone and this, in the medieval period, by the quern and later, the millstone.

Hand milling was superseded by mills driven by horses or oxen, by windmills, by waterpower, and finally by steam and electricity. As the method of grinding and the power employed changed, household milling gradually ceased and professional millers came into being, grinding the wheat of their neighborhoods into flour. Their small plants, usually situated on the banks of a stream, were known as gristmills, the millers taking their pay for grinding out of the wheat brought to them by the farmers. Thus the trade of milling was

● THE high spirits of the jolly miller of the River Dee won him a lasting place in poetry, but his milling methods proved less enduring. With the machine age new processes were developed, new milling centers arose, the whole organization of the industry underwent a profound change



The flour that went into the bread that appears on your dinner table may have been sifted through this battery of great bolters

gradually developed and in every country where wheat was grown such isolated plants existed.

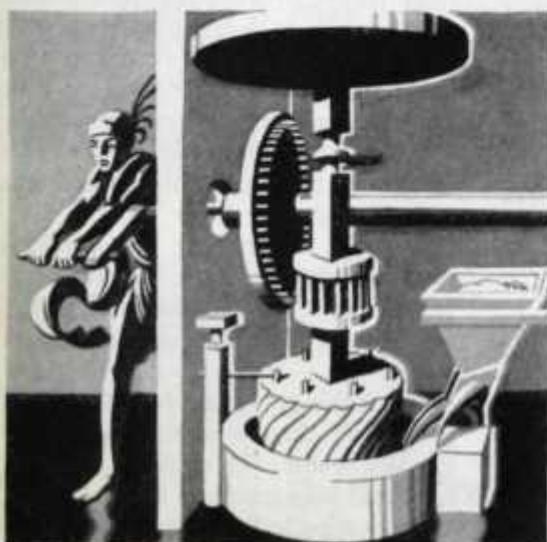
The Domesday Book lists hundreds of such mills in England in the days of William the Conqueror, and, in America, the gristmill appeared as soon as the earliest white settlers raised sufficient wheat to make it necessary.

The growth of towns and cities led to the building of a much larger type of mill, which could not be operated on the toll basis. Instead of taking his

pay in wheat, the miller bought his raw material outright at the market price and sold the flour he produced to local stores, which in turn sold to the consumer.

Merchant millers increased

THUS the merchant mill was created. At first it was small, hardly larger than the average gristmill, and almost as simple and primitive in its transactions. As populations and the demand for flour increased, the capacity of the merchant mill grew. Other mills were built in the same community until milling centers came into existence. From deal-



A seventeenth-century inventor devised this ponderous bit of milling apparatus



The dusty miller is dusty no longer, for the modern steel rolls grind the flour in dustproof glass and wood cases

ing only with local stores, these merchant millers extended their trade into other towns and localities reachable by river, and later, by railroads. Baltimore, Richmond and Philadelphia thus became the milling centers of colonial times and maintained their supremacy as such for many years after the Revolution, doing a large business, not only in the home markets but in the West Indies and Brazil.

When wheat, following the westward march of civilization, began its grand trek toward the setting sun, Rochester succeeded Richmond as the flour city, and, in due time, as the Mississippi Valley developed as a wheat grower, St. Louis became the largest flour-producing city in the United States, only to yield place to Minneapolis after many years.

In all this time, gristmills were built in every section where wheat was grown. Many of these gristmills developed into merchant mills.

In 1866, Cadwallader C. Washburn built the first Washburn mill on the west bank of the Falls of St. Anthony in what is now Minneapolis.

Anticipated Northwest growth

WASHBURN who had been a general in the Union Army, a member of Congress, and who later became a governor of Wisconsin had supreme confidence in the future of the Northwest as a wheat producing area. He erected not only the largest mill in Minneapolis but the largest west of Buffalo.

At that time, the wheat raised in the territory tributary to Minneapolis was



Cadwallader C. Washburn, pioneer miller in the Minneapolis region

inadequate fully to supply the mills already built there, but the country was rapidly being settled and was yielding an increased quantity of wheat annually. Governor Washburn foresaw that there would soon be more than enough wheat to meet the demand and built in advance of requirements.

This wheat was different from that

grown elsewhere in the United States. The latter, called winter wheat, was planted in the autumn and harvested in the early summer. It made a beautiful white flour.

Spring wheat was handicapped

OWING to the severity of the winter, the Northwest had to plant its wheat in the spring and harvest it in the early autumn. This wheat, called spring wheat, was a hard, flinty grain. Its flour, though strong and highly nutritious, was darker in color than winter wheat flour, because the flinty particles of the berry, which could not then be eliminated in milling, manifested themselves in specks.

For this reason, flour made from this grain sold at a disadvantage in eastern



The saddlestone was one of the earliest of milling devices

markets and was largely used locally or shipped to St. Louis for blending purposes.

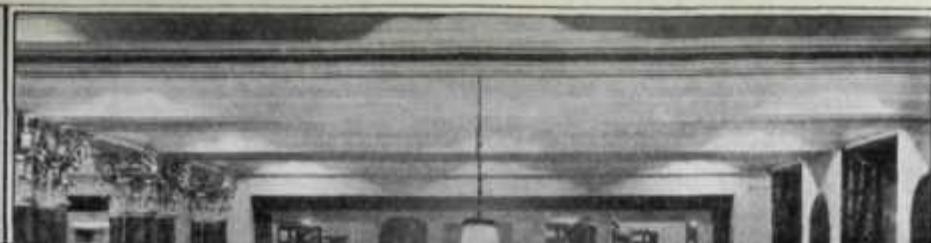
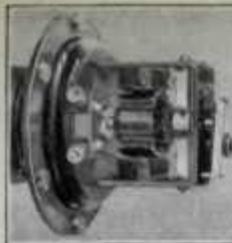
In spite of this commercial handicap, the Washburn venture justified itself moderately well, even before he equipped his mills with the purifier. This device eliminated the flinty particles, known as middlings, and enabled the Minneapolis millers to produce a flour even whiter than that from winter wheat.

This flour immediately commanded a premium in the eastern markets and the Washburn mill became highly profitable.

Under this impetus, Governor Washburn built more mills in Minneapolis and developed a large export trade. Other mills in the same city increased their capacity so that Minneapolis soon became the largest milling center in the world, an enviable position which it still holds.

In all this time, however, there had been little change in the method of grinding wheat. For centuries the millstone had been used and there had been no innovation in this slow process.

Soon after the introduction of the middlings purifier, however, the founder of the Washburn Crosby Company de-



BAKELITE SURVEYS A NATION'S INDUSTRIES



AUTOMOBILE

Back in the days of rear entrance tonneaus and polished brass headlamps—of linen dusters, veils and goggles, Bakelite Materials were first offered to industry. Alert, then as now, to investigate the merits of any new products, automotive engineers soon discovered that Bakelite Materials promised to solve many urgent problems.

Magneto, and later battery ignition systems, required a material for distributor caps and other parts that would survive unharmed the heat of engines and contact with oil and gasoline. Bakelite Molded proved so satisfactory that it is still used for this service. This application was quickly followed by others.

Bakelite Molded is now used for shift lever grips, horn buttons, spark and throttle assemblies, knobs, clock cases, steering wheels and other parts.

Noisy timing gear trains have been silenced, and gear life lengthened, through the use of Bakelite Laminated intermediate gears. Bakelite Laminated also provides many insulation parts for the electrical system, gears for speedometers and windshield wipers, and body makers have found it to be ideal for window guides. Surely, Bakelite Materials are essential to modern motor cars.

Write for Booklet 42-M, "Bakelite Molded."

NEXT MONTH MACHINERY INDUSTRY

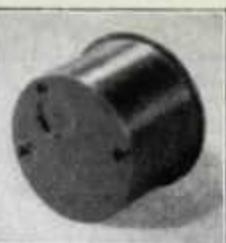
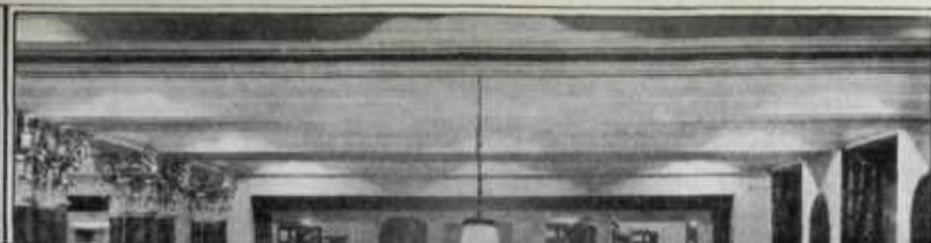
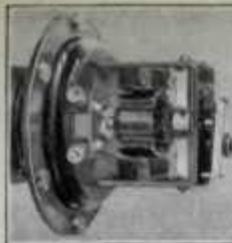
BAKELITE ENGINEERING SERVICE. Intimate knowledge of thousands of varied applications of Bakelite Materials combined with twenty years' experience in the development of phenol resins for automotive uses provides a valuable background for the cooperation offered by our engineers and research laboratories.

BAKELITE CORPORATION

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THE MATERIAL OF



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termined to substitute for the millstone the steel rolls then being used successfully by the millers of Budapest, Hungary.

An automatic flour mill

THE Hungarian millers guarded their steel rolls as a trade secret and employed hand labor to a large extent. It was a revolutionary step, therefore, when, in 1879, Governor Washburn built the first complete automatic roller mill in the world.

This experiment was a success and soon rolls supplanted millstones throughout the United States.

The introduction of the purifier and the rolls constituted the greatest advances in milling. The purifier improved the quality of the flour. The rolls increased the speed at which the mill could be operated. Together they encouraged the building of large mills and brought about the end of the gristmill period.

At that time, more than 20,000 individual flour mills were operating in the United States, but in the next decade, owing to the inability of the small mill to compete with the larger plants, the number was greatly reduced.

The elimination of the smaller mills has continued uninterruptedly ever since until now the flour of the United States is produced by less than 2,000 mills.

The present situation in flour milling is the logical, natural and unavoidable outcome of the change which began 50 years ago; the result of long continued and unbridled competition in which the economically unfit inevitably succumbed and the stronger units have survived up to the present.

From being a semiagricultural trade closely associated with the wheat producer, flour milling evolved into a highly specialized manufacturing industry, in which plants of enormous capacity dominated.

The Washburn Crosby Company was among the survivors. As long ago as 1892, individual members of the company had broken a precedent in trade practice by building a mill outside Minneapolis, at Great Falls, Mont. This mill succeeded.

Mills became chain units

IN 1903, the company acquired a mill in Louisville, Ky., to handle its southern trade and, in 1904, began operating a large mill in Buffalo to expedite its export trade. These accessions to its already large capacity were made during the administration of my father, James

S. Bell, who was then president of the company.

They were significant of another step in the evolution of American milling which has since become an accepted policy of the modern industry; instead of confining their operations to the center in which they were originally located, advanced millers were to extend their field and own mills at strategic points, thus becoming independent of local conditions and attaining greater elasticity in their movements.

This development brought increasingly rapid absorption of the small mill into groups of large mills, generally situated in centers, and, finally, the branching out of these large units to include mills in various parts of the country.

Central owning companies

THE latest tendency in the industry, manifested only last year by the Washburn Crosby Company and the concerns affiliated with it, was in the formation of central companies owning and controlling all the various units and placing them under one corporate direction; a move designed still further to economize in the cost of production, administration and distribution.

There are now several such corporations. Of these the General Mills, Inc., which took over the Washburn Crosby Company properties, is the largest, having a capacity of 88,000 barrels a day. It has mills in Minneapolis, Buffalo,

Kansas City, Wichita, Chicago, Toledo, Louisville; Oklahoma City and Perry, Okla.; El Reno, Wichita Falls; Vernon, Waco and Amarillo, Texas; Ogden, Utah; Great Falls and Kalispell, Mont.; Spokane, Tacoma and Pasco, Wash.; Portland, Ore.; Vallejo and Los Angeles, Calif. Its operations thus extend from Buffalo in the east to the Pacific Coast and from Minnesota to Texas.

Decentralized management

UNDER this organization the various units are given autonomy in their operation and local management, under general control and financing of the central company.

This appears to be the obvious and inevitable move in flour milling now demanded by the exigencies of the age in which we live.

Although General Mills, Inc., with its 88,000 barrels of daily production, is the largest group of flour mills under one ownership in the world, it by no means even remotely approaches a monopoly in the industry.

Four other large milling companies in the United States are each capable of producing from 25,000 to 40,000 barrels of flour daily.

If all of these, including our own, were operated at maximum capacity 300 days in the year, a practical impossibility, their total production would be less than 50 per cent of the 120 million barrels produced last year by the flour mills of this country.

Meeting Higher Costs in Business

FEW business men will disagree with the statement of *The Milk Dealer* that "just about the easiest thing to do in conducting a business is to increase the cost of doing business."

These increasing expenses may be met in three ways, the editorial continues—out of the profits, by passing the higher costs on to the customer, or by increasing the volume of business. "The best way, of course," it is declared,

is to increase volume, and in the case of the well-managed business the effort to get more business represents most of the added cost of conducting the business.

The biggest cost of such an effort is generally made up of additional man power and judicious raising of salaries. To get the best out of good men they must be

made to feel that they are getting their shares of whatever prosperity the business enjoys.

The manager is at times confronted with a real problem in dealing with the individual employee's salary. He cannot fix salaries according to sentiment. . . . He must appraise the particular employee's worth to the business and he must sometimes anticipate the future possibilities of it in order to justify meeting that employee's demands. . . . Unless they can be met it is better to terminate the employment of that particular man. . . . Increased cost of man power, while important, is not the only reason for the increased expenses of conducting a business.

Just about everything the manager buys costs him more money each year. He can't escape it, and his only salvation is to lay his plans to take in more money.

Want to Get Ahead?

The great English writer, Arnold Bennett, said, "I suppose that for the majority of men the suspension of income for a single month would mean either bankruptcy, the usurer, or acute inconvenience".

A MAN has small chance to get somewhere and be somebody if he is entirely dependent upon his next pay-check. He is likely to be as helpless as a child if his income stops.

Many a man finds himself in a rebellious frame of mind and sorry for himself because he is "broke". He feels bottled-up, half stifled, almost handcuffed and shackled. Unhappy in his work, he does it half-heartedly, badly. He wants to quit his job but he doesn't dare. His boss would like to discharge him but waits because he is sorry for him and his family.

If a man has not learned how to live within his income, it makes little difference whether he earns \$1,000 or \$10,000—he will always be in trouble. But budgeting his weekly or monthly salary to cover expenses for the necessities and comforts of life will show him how to live within his income whatever it may be.

Do you know how the experts arrange a budget for salaries from \$1,000 to \$10,000? Do you know what per cent of the income should be spent for each of the general expense items—food, shelter, clothing, household operating expense, insurance, education, entertainment and investment?



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Please mail, without charge, booklet "Let Budget Help" which shows how to make incomes cover necessary expenditures—with something left over—and gives full details relating to budgeting incomes ranging from \$100 to \$800 a month.

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When speculation is substituted for investment the last hope for safety usually vanishes.

Budgets have solved money problems in many homes. A typical illustration is furnished by a woman who provided a good home for husband, high school daughter and 12-year-old son on \$200 a month. She reported that when they attempted to live without a budget they were always in debt and worst of all in mental and physical distress. Since their conversion to "the budget way" they have found they are able to live better and save 10%.

Have you ever experienced the peace of mind and satisfaction that result from an intelligent budgeting of your income? With necessities provided for and a little money left over you have a far better chance to get ahead.

Send for booklet entitled, "Let Budget Help", which was written with a full understanding of the problems of those with limited incomes. Use coupon above.



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FREDERICK H. ECKER, PRESIDENT

ONE MADISON AVE., NEW YORK, N. Y.



In the event of your death will your business interests be protected from shrinkage or absolute loss?

Will You Play Fair with Your Heirs?

By EDWARD M. McMAHON

Insurance Trust Officer, The Equitable Trust Company, New York

DECORATIONS BY BEN KIDDER

THE situation that arises when a part owner in a "close" corporation dies has long been recognized as one of the most trying which business men can face. The need for establishing a definite market for the part owner's stock suddenly rises to perplex and often to distress the surviving owners and the heirs of the man who has died.

In recent years the Stock Purchase Trust Plan has been created to solve this problem. It provides a definite practical method of stabilizing the affairs of a "close" corporation. Similarly, the Partnership Liquidation Agreement has been evolved to perform the same function in the field of partnerships.

Before outlining the salient features

of the Stock Purchase Trust Plan, it is essential that the conditions arising after the death of a stockholder in a "close" corporation be briefly summarized.

Stock in a "close" corporation often is not considered a good investment for the heirs of an estate because the return from such an investment depends on the managerial ability of a small group of active stockholders.

When a stockholder dies and his activity ceases, there is always the possibility that the

remaining active stockholders may not continue to manage the business with the same efficiency and dividends may decrease or end entirely.

If the heirs of a stockholder in a "close" corporation decide that it is best to sell the stock, unless a definite market is provided, they must sell either to the surviving stockholders or to an outsider at the best price obtainable. As there may be only one market, it is possible that they may be forced to sell at a price far below the value. Usu-



Insurance against accident is becoming common



And so they standardized on Pontiacs

Here is a story about economy. . . .

The principal character is a large corporation whose name and address we will gladly tell anyone interested in knowing.

This corporation has a fleet of automobiles which its salesmen use. And, being watchful of costs, it keeps a complete and accurate account of every factor of transportation expense. Nothing is left out. Gas, oil, tires, garage storage, repairs, insurance, depreciation—everything is included. This is an individual record of each car. And the average cost per mile for the entire fleet is likewise definitely known.

A report dated January, 1928, when the fleet of 38 cars included only eight Pontiacs, showed this average cost per mile to be considerably higher than that which the individual car records revealed for each of the Pontiacs. And so this corporation, after careful investigation, standardized on Pontiac Sixes. It now has 23 of them and the latest figures show the average operating cost for the Pontiac group to be 1-6/10 cents less per

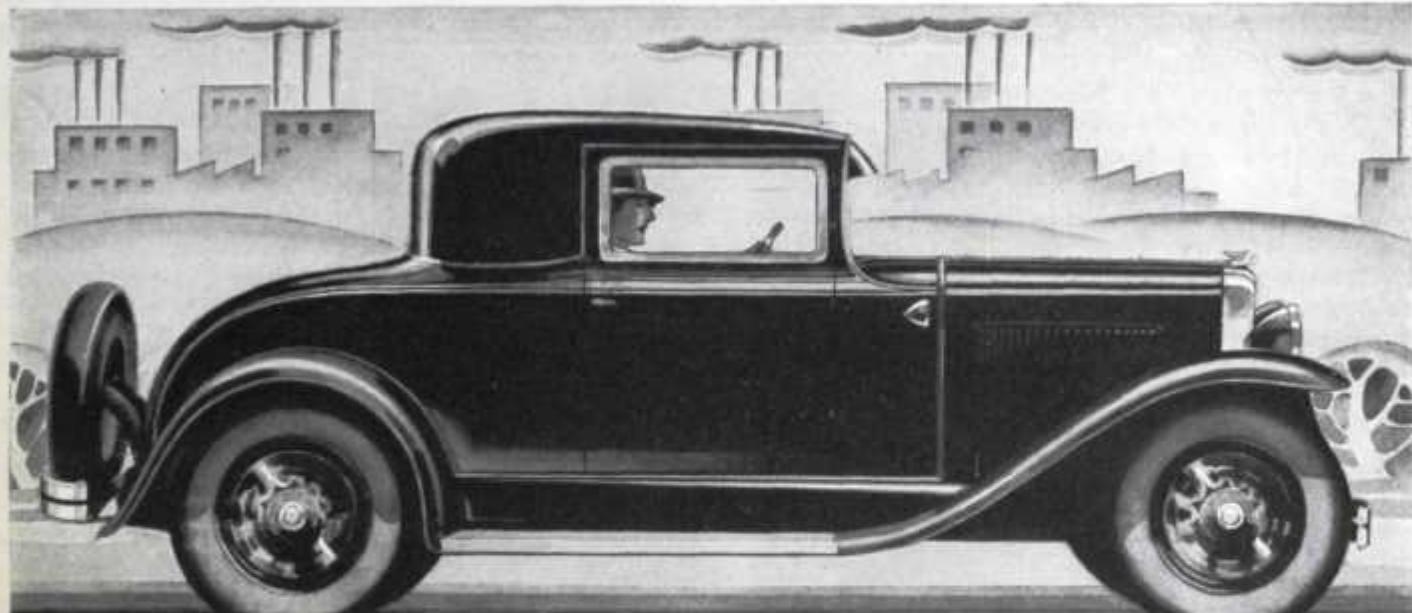
mile than the earlier fleet average. Multiplied by the total Pontiac mileage, it represents a saving for this concern of \$6946.41.

How far do your company's cars travel in a year? What would such a saving per mile mean to your sales expense? These are questions our Fleet Department is ready and eager to discuss with you.

We also wish to tell you about the New Series Pontiac Big Six now on display at all Oakland-Pontiac showrooms. Go and see this newest of all Pontiacs. It is a finer car than ever, offering many improvements of interest to executives responsible for business fleets.

Write the Fleet Department at the factory. We want you to have our Fleet Owner's Plan. And we wish to tell you all the reasons why it will pay your company to investigate the New Series Pontiac Big Six—a finer car with a famous name.

Oakland Motor Car Company, Pontiac, Michigan



NEW SERIES PONTIAC BIG SIX

Product of General Motors

A FAMOUS NAME, A FINER CAR AND UP, F. O. B., PONTIAC, MICH.

\$745

Illustrated above: The Coupe, Body by Fisher

ally the stock of the decedent comprises the major portion of his estate. He has probably spent many years in building up the business so that his heirs will benefit from his interest, only to have it sacrificed upon his death.

On the other hand, the surviving stockholders have a problem. If the heirs decide to retain the stock, the stockholders will, in effect, be devoting a portion of their efforts for the benefit of those heirs. If the heirs are inexperienced, they may even retard efforts to improve the business. If the heirs sell the stock to an outsider, the same situation may arise.

The surviving stockholders, therefore, may prefer to purchase the decedent's stock but it is possible that they may not have the funds to make the purchase.

The Stock Purchase Trust Plan solves the problems these conditions create. It stabilizes the value of the stock to protect the interests both of the heirs and the surviving stockholders. It assures the former immediate and adequate compensation and, on the other hand, it assures the surviving stockholders that the management and ownership of the business will remain in experienced hands.

Buying out the heirs

UNDER the plan, each stockholder agrees to sell his stock to the survivors in certain proportions if he is the first to die and each stockholder agrees to purchase a certain proportion of the decedent's stock if he is one of the survivors. A corporate fiduciary is named to act as trustee, impartially in the interests of the heirs and the survivors and to see that the agreement is completely carried out.

One of the most important purposes of the trust agreement is to set the price to be paid for the stock of the deceased. Usually it is not advisable to stipulate a definite price for the stock because the amount stated may not represent a fair value at the time a stockholder dies.

For this reason, it is usually desirable to include in the trust



One can insure against death as against fire

agreement a formula for valuing the stock.

The next question is how to accumulate the reserve necessary to pay for the stock. A sinking fund reserve can be built up during a period of years but this method is slow, and death may occur before the fund is available.

The life insurance sinking fund reserve is the most economical yet devised to meet this situation, and is the form usually used under the Stock Purchase Trust Plan. Each stockholder purchases insurance on the other stockholders' lives in an amount sufficient to pay for that portion of the stock which he agrees to buy if he is one of the survivors.

The insurance contracts are deposited with the trustee who is named beneficiary.

Each stockholder delivers his stock, endorsed in blank, to the trustee, but retains all rights, including those to vote the stock and to receive dividends. The stock is not transferred on the corporation books.

When a stockholder dies, the trustee receives the proceeds of the insurance on his life. If these are sufficient to pay

for the stock in full, they are paid to the decedent's estate and the stock is delivered to the surviving stockholders. If they are insufficient, the trust agreement may provide that the survivors shall make up the difference from their personal funds or give their personal notes for the unpaid balance.

Insurance helps both parties

IF notes are given, the trustee delivers the notes and the insurance proceeds to the heirs. The portion of stock paid for by the insurance proceeds is given to the stockholders and the remainder given to the decedent's executor to hold as security on the notes. If the insurance proceeds are more than sufficient to pay for the stock, the excess funds are delivered to the survivors.

Take, for example, the case of the Traplight Manufacturing Company—not its real name. The outstanding stock is owned as follows:

600 shares, or 60 per cent, by R. F. Burns
200 shares, or 20 per cent, by A. D. Stewart
200 shares, or 20 per cent, by G. C. Potter

The corporation has been operating many years at a profit through the combined efforts of the three stockholders. Mr. Burns, as the majority stockholder, and as the man with the most experience,

realized that, if he died, the corporation might suffer a reaction. He was eager to protect his investment in the business for the benefit of his heirs and to assure himself that the stock he owned would be liquidated at a fair price at his death.

On the other hand, Mr. Stewart and Mr. Potter, as the minority stockholders, realized that, should Mr. Burns die and his stock be held by his heirs or sold to outsiders, they might have no voice in managing the business. For this reason they desired to purchase Mr. Burns' stock when he died but lacked the funds to do so.

The Stock Purchase Trust Plan was suggested with a reserve to be created through life insurance. Since all were eager that all the stock should be owned by surviving stockholders, they de-



With a Stock Purchase Trust Plan and a competent executor and trustee a man should be able to stabilize his business against death



Keeps you on the SAFEST COURSE

*Day in and day out — this method
keeps you posted on the vital facts
and figures of your business*

THERE are times when it is favorable for a business to expand. There are times when it is often more prudent to retrench. Either course depends on vital facts and figures on which the operations of your business should always be based.

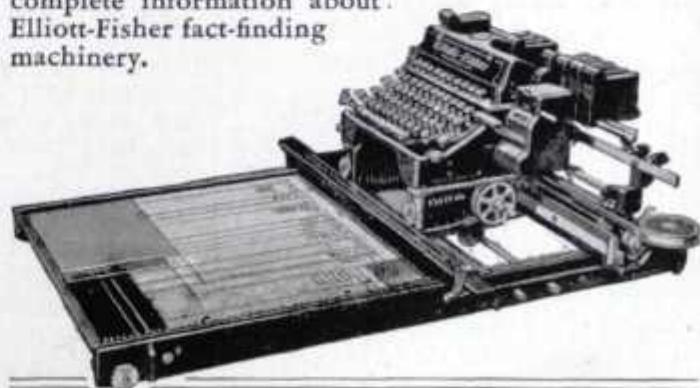
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Inventories, orders, sales billed, bank balances, shipments, accounts receivable and payable—all are posted every day and compared with the totals for the same day a week back, a month back, and a year back.

Without adding a man to your payroll or in any way disturbing your present accounting routine, Elliott-Fisher summarizes every department's performance into a single unified report. Hundreds of business firms that are distinguished by their efficient management use the Elliott-Fisher method of control.

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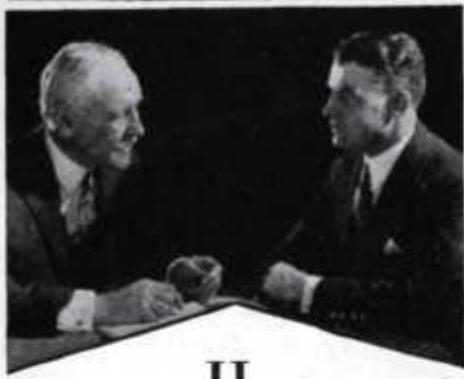
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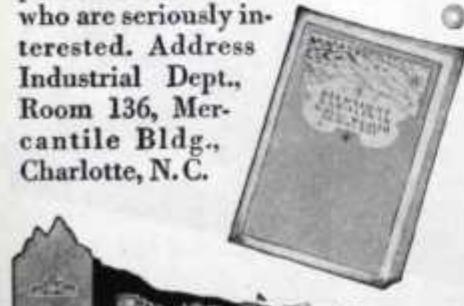


HERE is the center of tire cord and fabric manufacture. Low overhead, high production, and short, favorable hauls to a rich sectional market where car ownership is increasing most rapidly, combine to attract the tire industry.

Engineers who weigh carefully every factor can reach but one conclusion:

For cost of land and plant, for low overhead and high productiveness, for accessibility to the richest markets of the Atlantic seaboard, and for a complete agreement of all the factors that assure success—there is no location so favorable as Piedmont Carolinas.

Executives who want *all* the facts should read this book—“Piedmont Carolinas.” A more specific survey of the success-factors of this region will be presented to manufacturers who are seriously interested. Address Industrial Dept., Room 136, Mercantile Bldg., Charlotte, N.C.



DUKE POWER COMPANY

SOUTHERN PUBLIC UTILITIES COMPANY
AND OTHER ALLIED INTERESTS

cided to include in the agreement provisions for the sale of Mr. Stewart's and Mr. Potter's stock should one of them be the first to die.

The agreement as drawn up provided that, if Mr. Burns was the first to die, Mr. Stewart and Mr. Potter would buy his stock in equal proportions. By the same agreement, Mr. Burns would purchase three-fourths of Mr. Stewart's stock if he survived Mr. Stewart and three-fourths of Mr. Potter's stock if he survived Mr. Potter.

Mr. Stewart agreed that one-fourth of his stock should be sold to Mr. Potter if Mr. Potter survived him and Mr. Potter agreed to sell one-fourth of his stock to Mr. Stewart if Mr. Stewart survived him.

Because the Traplight Company had been operating profitably for many years, the owners decided that, in valuing the stock, allowance should be made for good will.

Therefore this formula for determining the value of the stock was included in the agreement:

Average earnings per annum for five years preceding a death

Average book value for five years preceding a death

Six per cent on above average book value

Difference represents “excess” earnings per annum for five years preceding a death

Approximate value of good will at date of a death (Five times “excess” earnings)

Book value of outstanding stock at date of death

Book value at date of death plus good will value, equals approximate total value of stock

At the time the agreement was drawn up, the average book value of the corporation for the five preceding years was \$200,000, while the average annual earnings were \$24,000. Using the formula, the value of the corporation's stock was determined in this way:

Average earnings per annum past five years \$24,000

Average book value past five years

\$200,000

Six per cent on average book value past five years \$12,000

Difference represents “excess” earnings per annum past five years \$12,000

Approximate value of good will (Five times “excess” earnings) \$60,000

Present book value of outstanding stock \$220,000

Present book value, plus above good will value, equals approximate total value of stock \$280,000

As 1,000 shares of stock were outstanding, the value per share, when the trust agreement was drawn up was \$280. On this basis, Mr. Burns' stock had a value of \$168,000; Mr. Stewart's stock a value of \$56,000, and Mr. Potter's stock the same.

Mr. Stewart and Mr. Potter each purchased insurance on Mr. Burns' life amounting to \$84,000. Mr. Burns purchased \$42,000 in insurance on Mr. Stewart's life and a similar amount on Mr. Potter's life. Mr. Stewart and Mr. Potter purchased \$14,000 insurance on each other's lives.

Heirs get cash for stock

THIS insurance was sufficient to pay for the stock which each stockholder agreed to purchase under the agreement, as of the date the agreement was made. If the value of the stock increases, the stockholders will purchase insurance to cover the increased value. The trustee was named beneficiary of all the insurance contracts and the contracts were deposited with the trustee.

When any stockholder dies the proceeds of the insurance on his life will be paid to his estate and the stock will be delivered to the surviving stockholders.

As their estates would receive a sizable cash payment in lieu of their interests in the corporation, each stockholder decided to name the trust company as executor and trustee of his estate under his will. Thus complete protection for their heirs was assured.

It is desirable that each stockholder's estate be placed in a position to receive properly the funds which come into the estate in payment for the stock and that arrangements be made to manage such funds efficiently. If the estate is to have good management and if the beneficiaries are not to receive the cash out-

(Continued on page 224)

A Mohawk Rug Weaver Needs Light! — (and White Paint)*



Sidney Fields carefully watches the warp and weft throughout the fifteen foot width of this seamless Wilton Loom. Now view the loom and his surroundings (from the rear). Maximum artificial illumination, window lighting, and light reflecting zinc pigment white paint.* The skilled craftsman's eyes need them all.

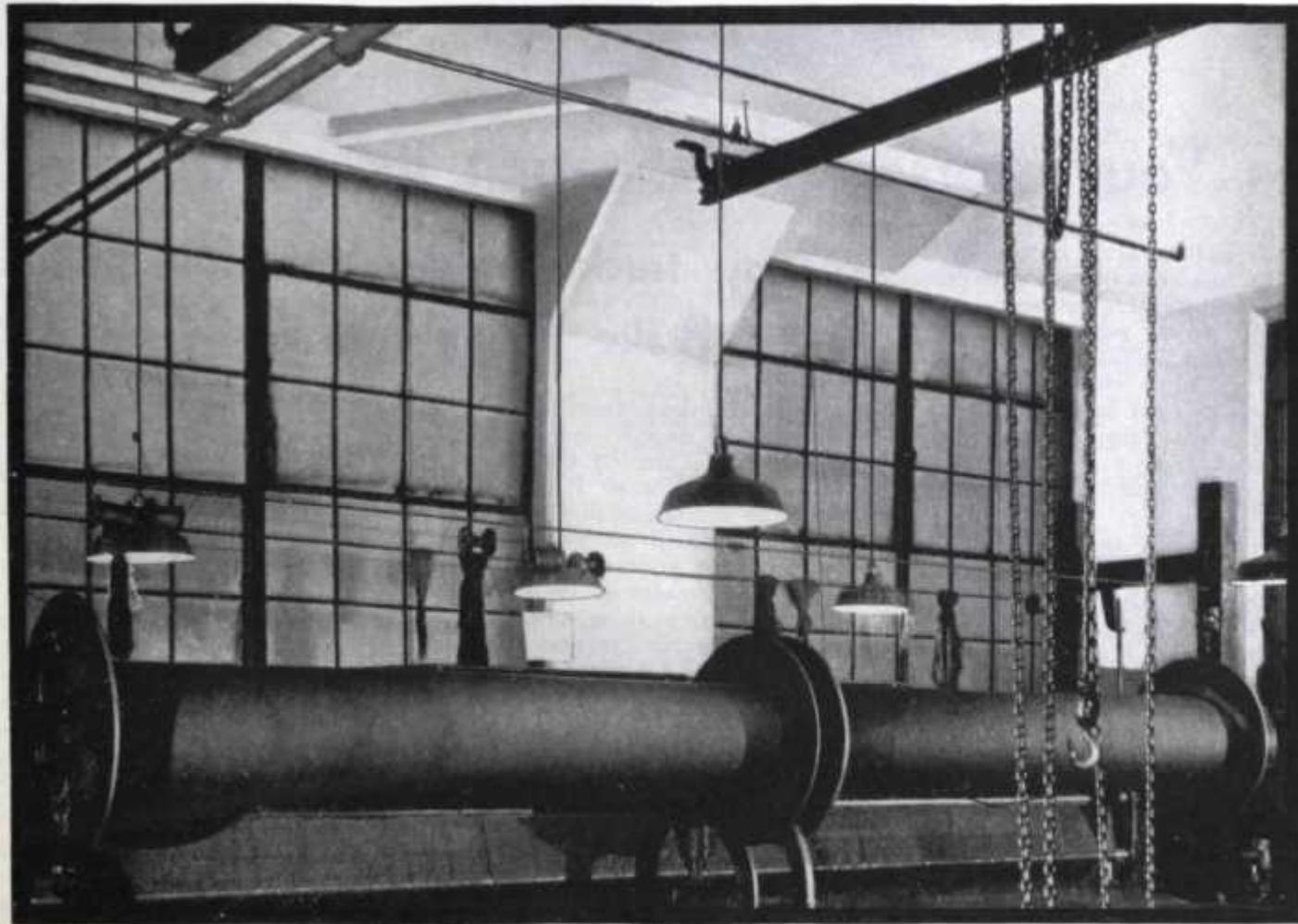
Millions of knots to scan; thousands of threads to watch; shuttles and knives to control; these are the problems at The Mohawk Carpet Mills, Amsterdam, New York. These and allied problems confront the entire textile industry—an industry that requires rigid inspection and operation. That's why white and light tint* zinc pigment paints are so widely used. They aid production, inspection, illumination, cleanliness. They are an absolute necessity in any industry where machinery is intricate, workmen are skilled, and products stand rigid inspection.

The paints used are zinc pigment paints; such as are made by all quality paint manufacturers. The New Jersey Zinc Company's zinc pigments—Zinc Oxide and "Albalith" Lithopone—are extensively used in the manufacture of these paints. You may want to know more about the properties of these pigments, and these modern industrial paints. Write to

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160 Front Street, New York City



*White paints have the highest light reflecting factor.

Zinc Oxide and "Albalith" Lithopone
ZINC PIGMENTS IN PAINT



Is Your Horsepower "eating its head off"?

IN harness days the horse that ate its head off was proverbial, but the idle motor truck is a far more costly performer. Lay-ups for brake repairs will come around all too often unless brake lining is chosen for its ability to stand the job of stopping heavy loads. The more mileage between brake re-linings, the more profit to the owner.

Many fleet owners in all parts of the country have learned by actual comparative tests of the remarkable ability of Johns-Manville Brake Lining to stand up under the most gruelling conditions. Heavy motor busses making hundreds of stops daily, light trucks travelling at high speed and making quick stops usually require different types of lining.

Many truck owners have found that J-M Brake Lining cuts costly lay-ups

Yet each Johns-Manville lining from heavy duty to the lightest, possesses the quality that stands more miles of use. If you will make an actual test of J-M Brake Lining you will discover its advantages for yourself. You will learn that besides its long life it provides safe braking which cuts the risk of accidents, and lessens the fatigue of drivers.

The Right Type of Lining Saves Money

Johns-Manville makes a brake lining for every motor vehicle. There are ponderous, tough J-M Brake

Blocks for the heaviest busses and trucks. There are J-M Woven, Folded and Moulded Linings. The use of the correct type of lining greatly prolongs its life.

A Johns-Manville automotive engineer will be glad to write you in more detail about the use of J-M Lining for your own trucks. We shall also be pleased to send to any truck owner, superintendent of a truck fleet or garage foreman our free book "The J-M Brake Re-liner's Manual." This is the most complete available treatise on brakes.

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BRAKE LINING FOR EVERY MOTOR VEHICLE

Chambers as Civic Trustees

By ARTHUR S. DUDLEY

Secretary-Manager Sacramento Chamber of Commerce

WE have been campaigned to death." Twelve years ago it was war drives. Financing of charities, community advertising, industrial promotion, followed.

Men learned to love the thrill attending high-pressure methods. They subscribed cash and time with equal liberality. They made a game of it. But, an overdose of "play" is work.

Men became skilled in developing excuses to dodge committee service. Their subscriptions likewise suffered. The few worked and paid. Merchants tired of being the "easy marks."

Twelve years have seen radical changes in business methods. Not so with civic organizations. Some have lost sight of the fundamental factor—the principle upon which their life depends.

All citizens benefit from organized civic activity. The individual—not the merchant, not the public utility, not the manufacturer, not the doctor alone—should pay the cost of this service. He has been paying.

"Home Owner" never knew it. "Business Man" never appreciated it. The latter complains—says he is giving to this and giving to that—says he has to cut somewhere.

But, he has not been paying. He adds to his business overhead the total amount of his subscriptions and investments in local enterprises. He is merely the medium for collecting from the consumer. The larger his volume of business the more he adds to his overhead for charity and for civic promotion.

A benefit to the home owner

THE shop worker who owns his small home derives a benefit from the activity of a successful chamber of commerce. The more active the chamber in building and stabilizing pay rolls through marketing aids and other services, the greater is the demand for home property. Values rise. If there were no chamber of commerce, or like organization, retrogression would take place.

Membership in a functioning commercial organization is insurance against

depreciating property values. Instead of collecting the "premium" in small amounts direct from the "policyholder" the merchant is the collecting agency.

Chain-store management is learning this. If chains, overnight, had supplanted all local institutions—if the attitude first assumed by chains had not been altered—the citizens of American cities would have paid dearly. The "collecting agency" would have been eliminated. Too costly would have been the house-to-house canvass. Charities would have gone begging. Chambers of commerce would have closed their doors.

The better method of financing

FAR better that the customer pay the merchant a fraction of a penny on each dollar purchase in order that charities and civic promotion may be adequately financed. Both chain and local store can profitably subscribe to this plan.

No successful business slights its merchandising department. No community aspiring for prestige and stabilized prosperity slights its chamber of commerce.

The business man is more appreciative of the work of the chamber of commerce than is the home-owning mechanic or laborer. With his experience has come his ability to judge values.

Farseeing executives are directing great chain organizations. They are now recognizing the necessity for adequately financed civic promotion.

Physicians, surgeons, dentists, lawyers, even churches and hospitals and fraternal organizations, prosper in a virile environment.

The sleepy town offers no inducement. No city stands still. It grows and lives, or decays and dies. The one agency equipped and acting to combat community backsliding is the chamber of commerce.

Membership in a functioning commercial organization is insurance against migration.

Professional men have been slow to respond—slow to appreciate the situation which would result if, overnight, merchants decided to shift the civic responsibility from their shoulders to those of the professional class.

Where you see business at its best there is no shirking. Attorney and doctor and merchant alike accept their assignment to collect from clients and customers funds for civic promotion.

Concentration of industry into great centers creates problems embracing water supply, sewage disposal, transportation, education, recreation, and a score of economic questions.

Taxation and bond issues are required to finance these municipal demands. The larger business interests pay the greater volume of taxes in the community. They are vitally concerned about the worthiness of civic projects. Necessary improvements and developments can be surveyed and sponsored and methods of financing promoted and successful completion guaranteed through the chamber of commerce as through no other agency.

A guardian of public funds

PROTECTION against erratic, idealistic schemes is as important as sound and constructive building. Membership in a functioning commercial organization is insurance against waste of public funds.

A chamber of commerce subscription is merely placing on one's pay roll another employee to watch constantly those civic details which have a vital bearing upon the success of business.

When men come to realize the importance of insurance against depreciating property values, against migration and against waste of public funds, they will seek it as quickly as insurance against fire.

Instead of campaigns for increased revenue, the prerequisite of community organizations is the merchandising of their service—selling the business executive the merits of their program, their management and their administration of the public trust—selling the business executive the economy which results from his being the "collecting agency"—selling the business executive the value of continued financing, year after year, rather than the expensive money-raising methods attending annual campaigns.

There's Hope for Old King Coal

By JONATHAN C. ROYLE



DR. CHARLES E. LUCKE

A NEW triple alliance in industry is envisioned by Dr. Lucke, an alliance that will link gas, electricity and coal. He sees growing out of that alliance benefits to all three —particularly to coal—and also cheaper fuel and power to you, the consumer

WHAT the coal industry needs is a matchmaker to make arrangements for an alliance with the electric light and power family. Gas produced from coal, and electric power evolved from coal have been old-time family friends. One has grown weak and needy, the second has become strong and prosperous. Now it is up to the strong to help the weak.

The scientific matchmakers are busy. They are arranging the alliance between the great power and utility branches and no one need be surprised at receiving the announcement that gas has been wedded to electricity and the happy couple is preparing to rear a healthy coal business.

These are the firm convictions of Dr. Charles Edward Lucke, of New York. If anyone may speak with authority on this subject, Dr. Lucke should do so. For he is head of the mechanical engineering department of Columbia University and in addition is consulting engineer for the Babcock and Wilcox Company, manufacturers of boilers, and for a number of other huge firms.

He helped the Worthington Pump Company work out the new Diesel engine now going into many of the reconditioned vessels of the United States Shipping Board, and is one of the most eminent and widely known heating engineers in the world.

He has advised the Struthers Wells Company, Warren, Pa., De La Vergne Machine Company, New York, International Harvester Company, and the Hoover Company, North Canton, Ohio. He was neutral member of the board of arbitration between the Navy Depart-

ment and the American Gas and Electric Company, member of the engineering committee on awards of the Panama Pacific Exposition and a commander in the Navy during the war.

A perfect go-between

HE IS the great liaison officer between the technical and commercial fields and he speaks the language of both perfectly. With equal facility he would talk to Einstein on relativity, Chairman Mitchell of the National City Bank on finance and with Carl Zivic, a Czech fireman with a dirty fire and an idle slice bar. His ideas for the rehabilitation of the coal business, therefore, represent the technical, the financial and the industrial angles.

There are today some 19,000,000

homes wired for electricity, he says in explaining his theories. Far fewer are equipped to use gas for fuel and cooking purposes. In the smaller communities, of from 5,000 to 100,000 population, more than 40 per cent of the inhabitants have no gas ranges while more than 20 per cent in the larger cities are without them.

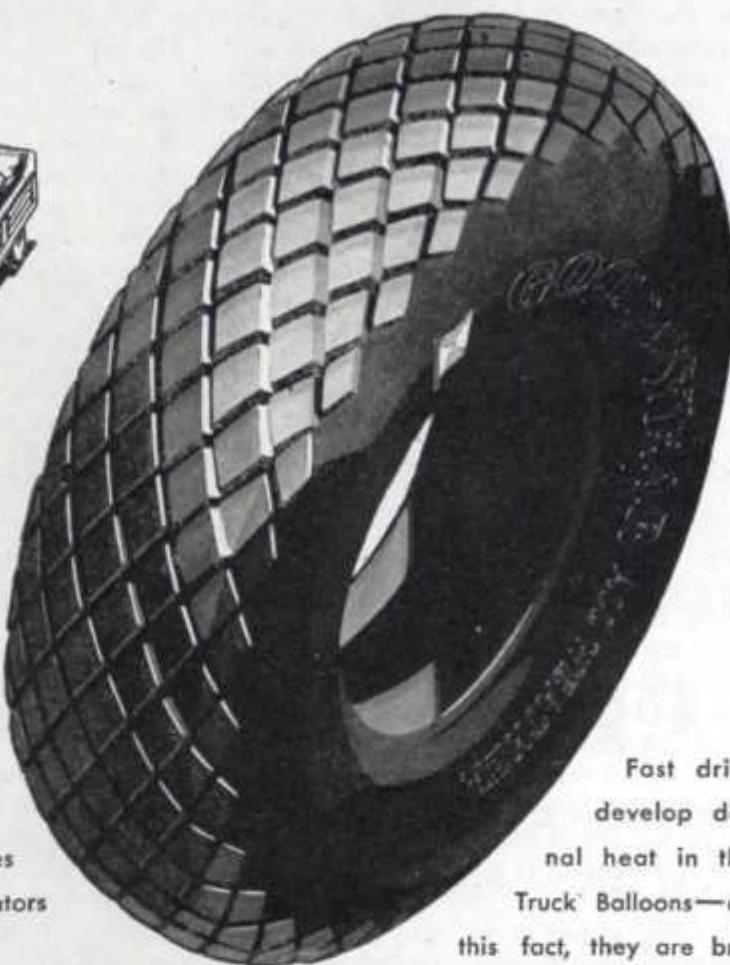
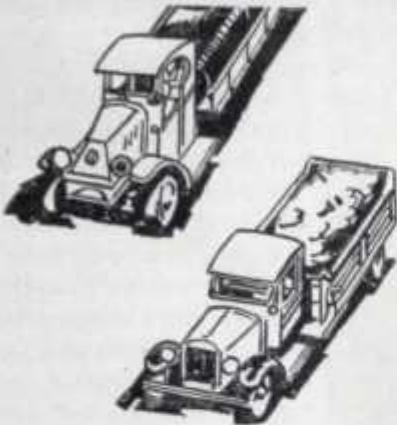
The use of gas in heating plants and households and apartments is a comparatively new development, Dr. Lucke continues. So is its use for incinerators, household refrigeration and water heating. Industrial uses of gas in large quantities also is of recent growth.

However, full development of these prospective fields will be made possible if gas is readily available at nearby plants at reasonable prices. That is where the electric-power industry comes in as ally and supporter.

The steam-generated central power station today represents the most effective use of coal as fuel. Where the domestic user or small plant owner gets less than one per cent of efficiency from raw coal, the big public-service electric stations get more than 30 per cent. One such plant develops 450,000 pounds of steam per hour. It produces approximately one kilowatt hour of electric power per pound of coal, burning 25 tons of fuel an hour and making available 50,000 kilowatt hours of electricity. Even less effective plants produce a kilowatt hour on less than two pounds of coal.

Scores of these huge steam-generated electric plants are being built each year. Even public service companies with hydroelectric power are duplicating each

WITH THESE NEW BALLOONS GOODYEAR ENDS ONE OF THE GREATEST PROBLEMS OF TRUCKING



HOW to travel long distances at modern high speeds — without paying a tremendous premium for tires — that is the problem that trucking operators have been facing.

And here is Goodyear's answer — the Goodyear Truck Balloon Tire.

It does, now, for the fast truck, what balloon tires did for the passenger car. It provides the generous cushion required for speed — it gives extra traction — but more than all this, it is cool running.

Fast driving does not develop destructive internal heat in these Goodyear Truck Balloons — and because of this fact, they are bringing tire bills back to levels as low or lower than they were in the days of slow-moving trucks.

Get in touch with a Goodyear Truck Tire Service Station Dealer now regarding change-overs on your present trucks. On your new trucks, specify Goodyears — they are offered by leading truck manufacturers as optional equipment.

THE GREATEST NAME IN RUBBER

GOOD YEAR

MORE TONS ARE HAULED ON GOODYEAR TIRES THAN ON ANY OTHER KIND

water plant by a steam unit of equal capacity. This has been true even of companies in the centers of hydroelectric possibilities. About 75 per cent of the domestic and industrial consumption of power is east of the Mississippi and a huge amount of this is east of the Alleghanies, whereas most of the possible water power developments are far from markets. The development of further steam electric plants therefore depends on adequate supplies of cheap coal for fuel. Cheap coal, he declares, can be made available by the development of sales of gas and by-products in the very centers where the electric plants are located.

In a short time, Dr. Lucke says, the individual plant producing current at the rate of one million kilowatt hours will be a reality. This will involve the consumption of at least a million pounds of coal an hour or 24 million pounds a day for each such station. The operation of these plants alone would go far toward helping the coal men out of their difficulties. Of course the building up of these units is possible only in centers where the public has the capacity to consume big blocks of power.

Same by-products, too

BUT if coal could be sold cheaper to these plants, think to what extent it would spur industry and advance power consumption. Cheap coal would mean cheaper power for the ultimate consumer and cheaper coal is possible by taking the gas and coal by-products industries right into the electric-power plants. Provided gas can be made in or close to the centers where it is sold, development of the gas industry is bound to be as extensive as the growth of the electric industry.

By heating coal before it goes to the boilers, coke is formed from the non-volatile contents while the volatile constituents can be drawn off and distilled. In many coals, these vapors mean one third of the weight. They yield, when cool, coal tar and gas richer than is required by the various state utilities commissions. This gas can be used to enrich manufactured water gas and can all be consumed by the gas utilities. In addition, the vapors from a ton of coal yield about 25 gallons of coal tar, which now is selling at about six cents a gallon.

The coal used in making power in this country in 1928, if subjected to this distillation process, would have provided 36 million cubic feet of gas, enough to supply the country. Thus the same coal plus one third (to make up for

the third lost in weight from extraction of the volatile constituents) would have provided energy to produce the entire gas and electric outputs of the nation.

Such savings as those gained by the sale of gas and other by-products means that the fuel to furnish power costs less per ton.

The cost of coal now to electric plants in general ranges from \$2 a ton at the mine to \$10 a ton far from the source of supply. The average is between \$5 and \$6.

By-products don't pay for coal

BUT so far, Dr. Lucke says, no process has been devised by which the power company can sell coal by-products for more than the coal costs, leaving a net profit from fuel after current is produced. He is confident, however, that such a process will be found. The market for coal by-products has only been scratched, he says, but it must be developed in industrial centers.

The ideal way for a city to use coal, its products and its by-products, according to Dr. Lucke, is to receive all coal on a water front or outside the city zone where two or more railroads join. Treat the coal by a low temperature carbonization process. Feed the resultant coke, *hot*, into the furnaces to produce electric current. Use the resultant gas for all city domestic and industrial heating operations. Use the coal tar produced as a basis for a chemical industry and as a source for production of motor fuel and other products.

This would mean that no solid fuel would enter the city, there would be no ashes, no smoke, and no coal wagons to increase traffic congestion. The gas lines would provide all the heat required, while the electric systems would provide light and power.

As a variation for less congested districts where power requirements are lower, he suggests a modified coal distillation plant, yielding, in addition to gas and coal tar, a domestic form of smokeless coke suitable for kitchen stoves and furnaces as well as industrial uses.

Only one thing has prevented such development so far—the by-product coke ovens now necessary to low temperature volatilization occupy so much space that they could not be accommodated within the plants of the electric companies in large cities. The price of real estate has made their spread economically impossible at present.

"The space difficulty," Dr. Lucke says, "is now being overcome. New proc-

esses of gas production and of by-product conservation and extraction have already been developed under laboratory tests. In a short time they will be made physically and commercially feasible.

"Then we shall have, under one roof, the production of coke to fire boilers; production of electric power; the release of gas, transferable for domestic and industrial uses; the extraction and distillation of liquid, gaseous and solid by-products; and a selling, bookkeeping and accounting organization."

It will be only a few years, Dr. Lucke maintains, until fully as many homes, industrial plants and other buildings are piped for fuel as now are piped for water. Fuel distribution now, he points out, is in somewhat the same stages as water distribution was when nearly everybody depended on a well.

Today, practically every home is piped for water. Fuel distribution, he predicts, will grow equally as fast.

Coal, moreover, contains our most dependable form of heat energy. The supplies of petroleum and natural gas are far from inexhaustible. The world supplies of coal, however, are as yet comparatively untouched but coal in its crude state is not our best or most economical fuel.

Present systems wasteful

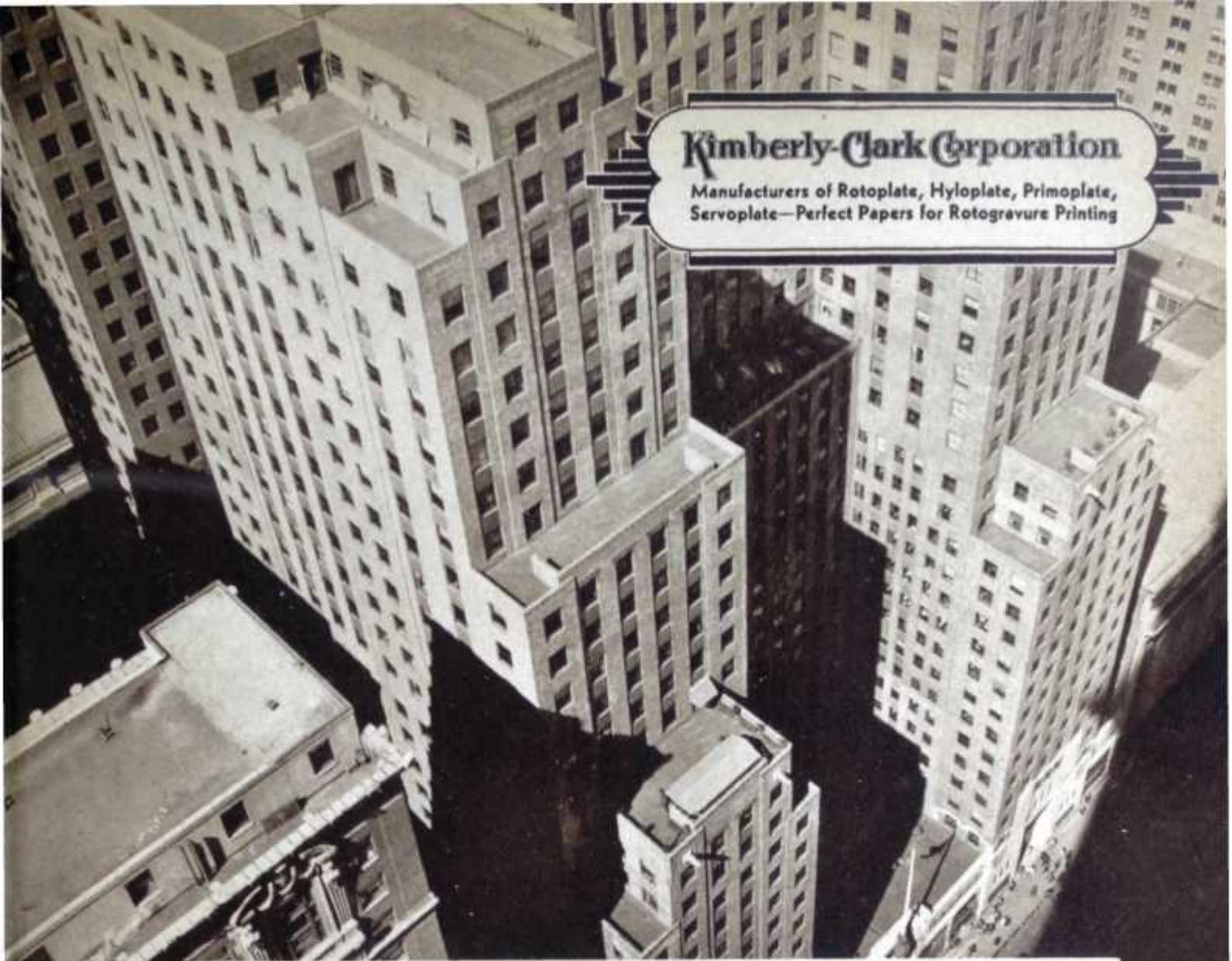
THE householder who burns raw coal in his furnace or the small industrialist who uses coal to obtain power for a factory requiring up to 100 horsepower is lucky if he obtains one per cent of the energy latent in the coal he burns. The large power plants do far better, but even so the crude coal burners waste a huge volume of valuable products which might be saved and marketed.

To increase the amount of heat energy recovered from coal and thereby to lessen costs of living and of manufacture, Dr. Lucke points out that the coal must be processed.

Altogether, it is fair to assume that the transforming of coal into gas represents a processing of raw fuel with more advantages perhaps than any other processing as yet proved commercially feasible.

The processing of coal and the introduction of machinery to take the place of man power, on the surface, may seem to indicate a loss of employment to some workers in the already over manned coal-mining industry. But if the matter be followed through, it will be seen that jobs are being created for five workers for every man released.

If the producers recover the gases,

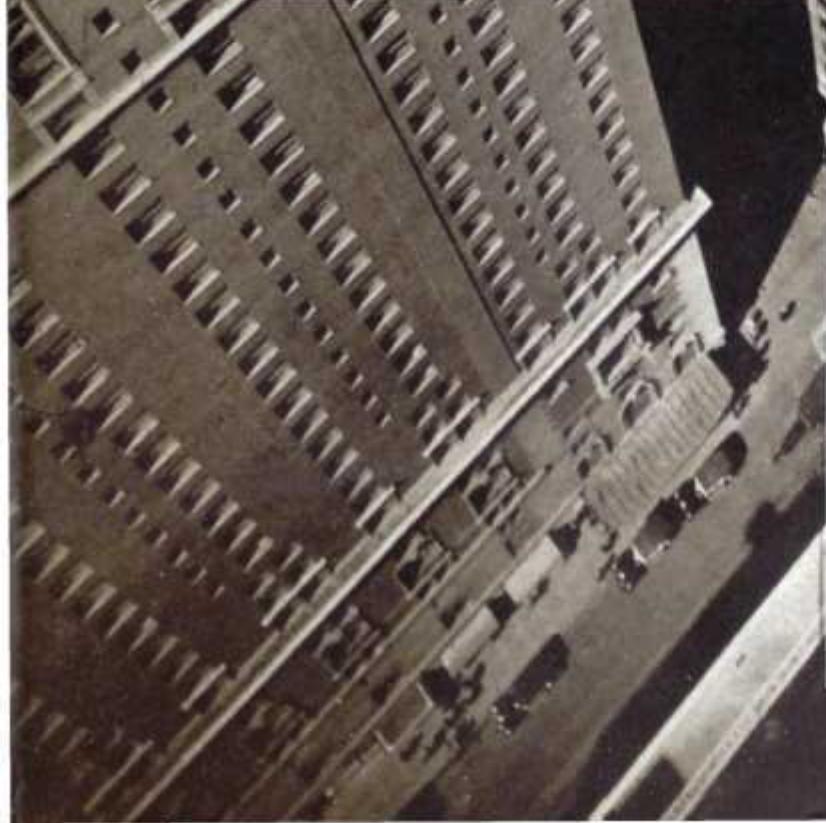


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Manufacturers of Rotoplate, Hyloplate, Primoplate,
Servoplate—Perfect Papers for Rotogravure Printing



SINGLES THEM OUT



No matter how congested population may be, the rotogravure section of a newspaper singles the individuals out in their homes, one and one, and enables you to tell, by picture, your sales story to each reader personally, uninterrupted, convincingly.

Rotogravure Sections

are PUBLISHED every WEEK in
SIXTY CITIES of NORTH AMERICA
by these NINETY-FIVE Newspapers

Albany Knickerbocker Press
Atlanta Constitution
Atlanta Journal
Baltimore Sun
Birmingham News
Boston Herald
Boston Traveler
Buffalo Courier Express
Buffalo Sunday Times
Chicago Bee
Chicago Daily News
Chicago Jewish Daily Forward
Chicago Sunday Tribune
Cincinnati Enquirer
Cleveland News
Cleveland Plain Dealer
Columbus Ohio State Journal
Denver Post
Denver Rocky Mountain News
Des Moines Sunday Register
Detroit Free Press
Detroit News
Fort Wayne News-Sentinel
Fresno Bee
Habana, Cuba, Diario De La Marina
Harrisburg, Pa., Evening News
Hartford Courant
Houston Chronicle
Houston Post-Dispatch
Indianapolis Sunday Star
Jackson, Miss., News
Kansas City Journal Post

Kansas City Star
Long Beach, Calif., Press Telegram
Los Angeles Sunday Times
Louisville Courier Journal
Louisville Sunday Herald Post
Memphis Commercial Appeal
Mexico City, El Excelsior
Mexico City, El Universal
Miami Daily News
Milwaukee Journal
Minneapolis Journal
Minneapolis Tribune
Montreal La Patrie
Montreal La Presse
Montreal Standard
Nashville Banner
Nashville Tennessean
Newark Sunday Call
New Bedford Sunday Standard
New Orleans Times Picayune
New York Bollettino Della Sera
New York Corriere D'America
New York Evening Graphic
New York Jewish Daily Forward
New York Il Progresso
Italo Americano
New York Evening Post
New York Herald Tribune
New York Times
New York Sunday News
New York World
Omaha World-Herald

Peoria Journal Transcript
Peoria Star
Philadelphia L'Opinione
Philadelphia Inquirer
Philadelphia Public Ledger
Philadelphia Record
Pittsburgh Press
Pittsburgh Sun-Telegraph
Providence Sunday Journal
Richmond, Va., Times-Dispatch
Rochester Democrat Chronicle
Scranton, Pa., Scrantonian
St. Louis Globe-Democrat
St. Louis Post Dispatch
St. Paul Daily News
St. Paul Sunday Pioneer Press
San Francisco Chronicle
Seattle Daily Times
South Bend News Times
Springfield, Ill., State Register
Springfield, Mass., Union Republican
Syracuse Herald
Syracuse Post Standard
Terre Haute Tribune
Toledo Sunday Times
Toronto Star Weekly
Washington Post
Washington Sunday Star
Waterbury Sunday Republican
Wichita Sunday Eagle
Wilmington, Del., Star
Youngstown, O., Vindicator

Rotoplate is a perfect paper for rotogravure printing, and is supplied by
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CHICAGO, 8 S. Michigan Ave.

Our book—"One Picture is worth Ten Thousand Words"—shows more ways than ever in which rotogravure may be used. Write for a copy to Kimberly-Clark Corporation, Rotogravure Development Department, 8 S. Michigan Ave., Chicago, Ill.

the coal tar and other products in the raw coal, sell them and still burn the residue to produce steam, they will be able to cut costs to the purchaser of fuel, increase consumption, and stimulate activity in hundreds of industrial lines which depend on coal and its by-products.

It is certainly true that the coal business cannot go on as it is, in the throes of depression. Labor-union and government officials declare that 200,000 more men are engaged in coal mining than are needed to produce all the coal this country can use at present. Efforts to restrain production have failed.

It is a cardinal maxim in industry that if production cannot be restrained, consumption must be increased. The surest way to increase consumption and stimulate use is to reduce costs. Mine owners, however, cannot reduce the price of raw coal and pay wages sufficient to maintain American standards of living among the workers.

This plan of power at the pit mouth seems a logical and economically sound method by which coal producers can find a way out of their dilemma.

"But is it?" asks Dr. Lucke. He answers his own question. "In some cases, yes, in the majority of instances, no."

Coal is easier to carry

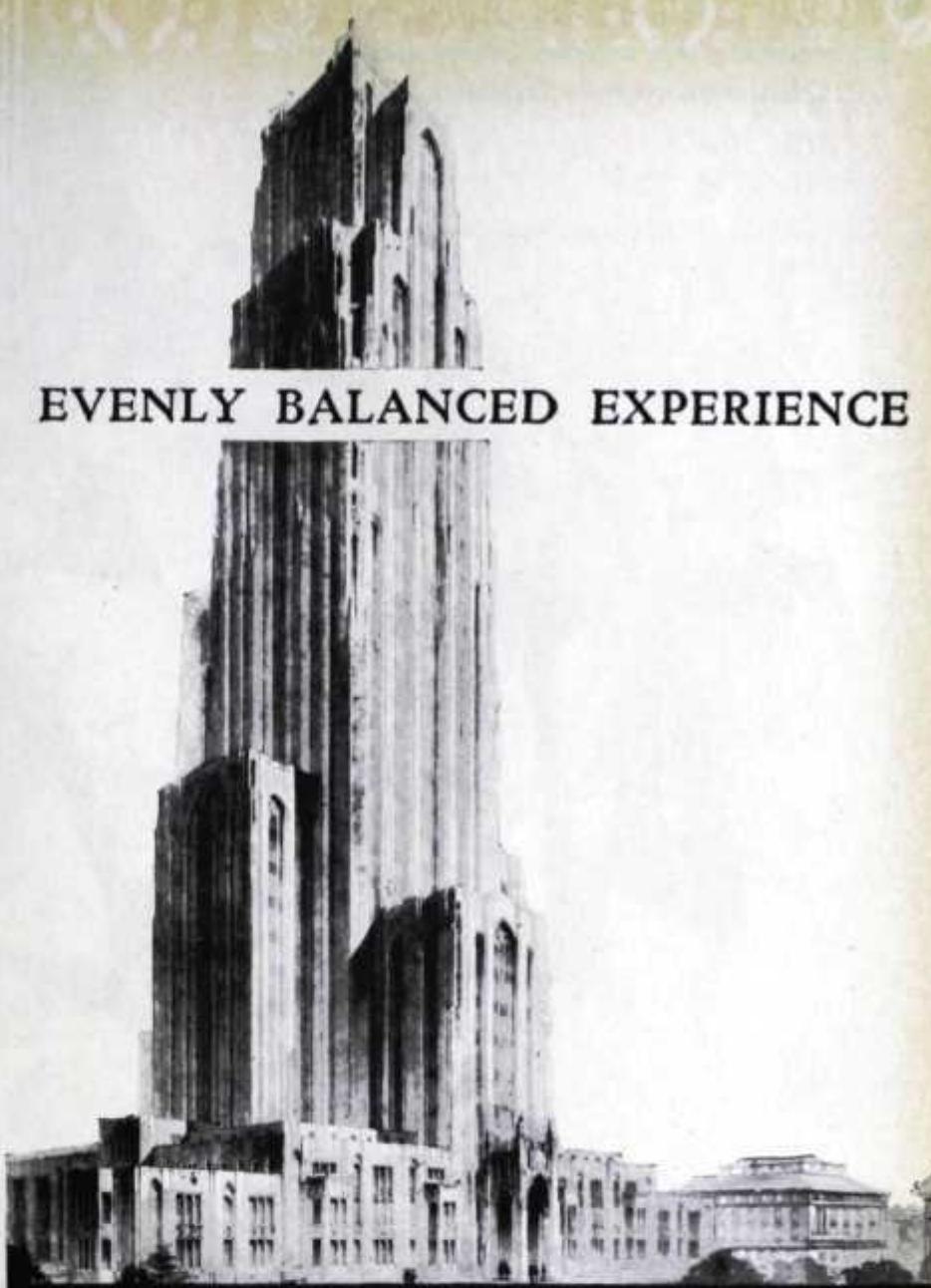
ENERGY must be transportable. Even if power—or energy—is developed at the mine mouth, it must still be carried to the homes and industrial plants where it is finally consumed.

Coal can be pulverized easily and cheaply at the mines, but this does not lessen the transportation cost appreciably.

Suppose the raw coal is turned into energy in the form of steam at the pit mouth. Steam can be piped only a short distance, and that at the expense of tremendous losses in heat and pressure.

A still greater difficulty with these methods, however, is that with their use the valuable by-products of coal are entirely lost. The by-product coke oven is a distinct advance. By the use of these ovens, many of the chemical elements of coal are being recovered.

It is strikingly evident that the coal industry has a difficult path to follow in finding markets for by-products but this does not mean that it must continue in the ditch of depression. There will be no halt in the efforts of the chemists and scientists to unlock more of the riches bound within an ordinary lump of coal. No industry can stand still so long as men like Dr. Lucke can make it break out with new ideas.



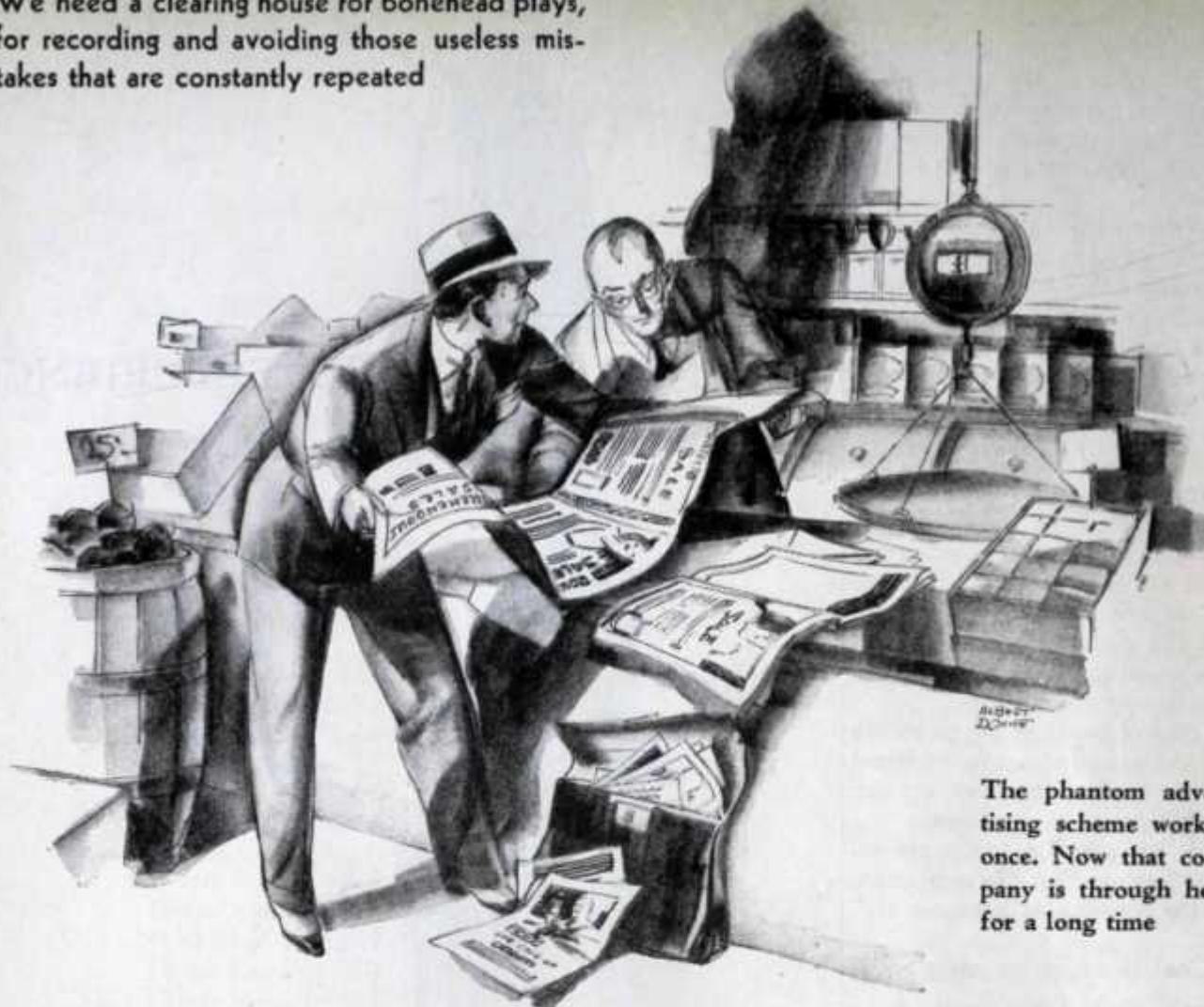
The Cathedral of Learning for the University of Pittsburgh, now under construction

STONE & WEBSTER ENGINEERING CORPORATION, BUILDERS
Charles Z. Klauder, Architect

STEAM power stations, water power developments, industrial plants, monumental buildings and other structures of varied types and magnitude are included in recent Stone & Webster Engineering Corporation work. We offer our wide experience to utilities, industrials, institutions, and others in planning and building projects of all kinds.

**STONE & WEBSTER
ENGINEERING CORPORATION**

● We need a clearing house for bonehead plays, for recording and avoiding those useless mistakes that are constantly repeated



The phantom advertising scheme worked once. Now that company is through here for a long time

Why Copy Grandpa's Errors?

By JAMES TRUE

ILLUSTRATIONS BY ALBERT DORNE

JUST BEFORE the turn of the century, one of the few teachers who succeeded in teaching me anything used to repeat this nugget of wisdom:

"If this is the first time you have made that mistake I shall overlook it, for it is not discreditable to make a mistake—once. But when you repeat a mistake it ceases to be a mistake, and is simply a bonehead play."

This simple dictum has been recalled many times by incidents of my work of interviewing business men and investigating methods of industrial activi-

ties. For costly mistakes that were common in the business world twenty-odd years ago appear to be as frequent today as ever.

This is particularly evident in the field of sales management. Talk with salesmen whenever you can, as I have done for many years, and you will be amazed at the demoralization wrought among them by a few old, overworked blunders.

Once, the sales manager of a leading manufacturing concern told me that he would pay \$1,000 for a contest that would pep up his sales force. "The men

are slipping for some reason," he said. "We need something to make them speed up sales."

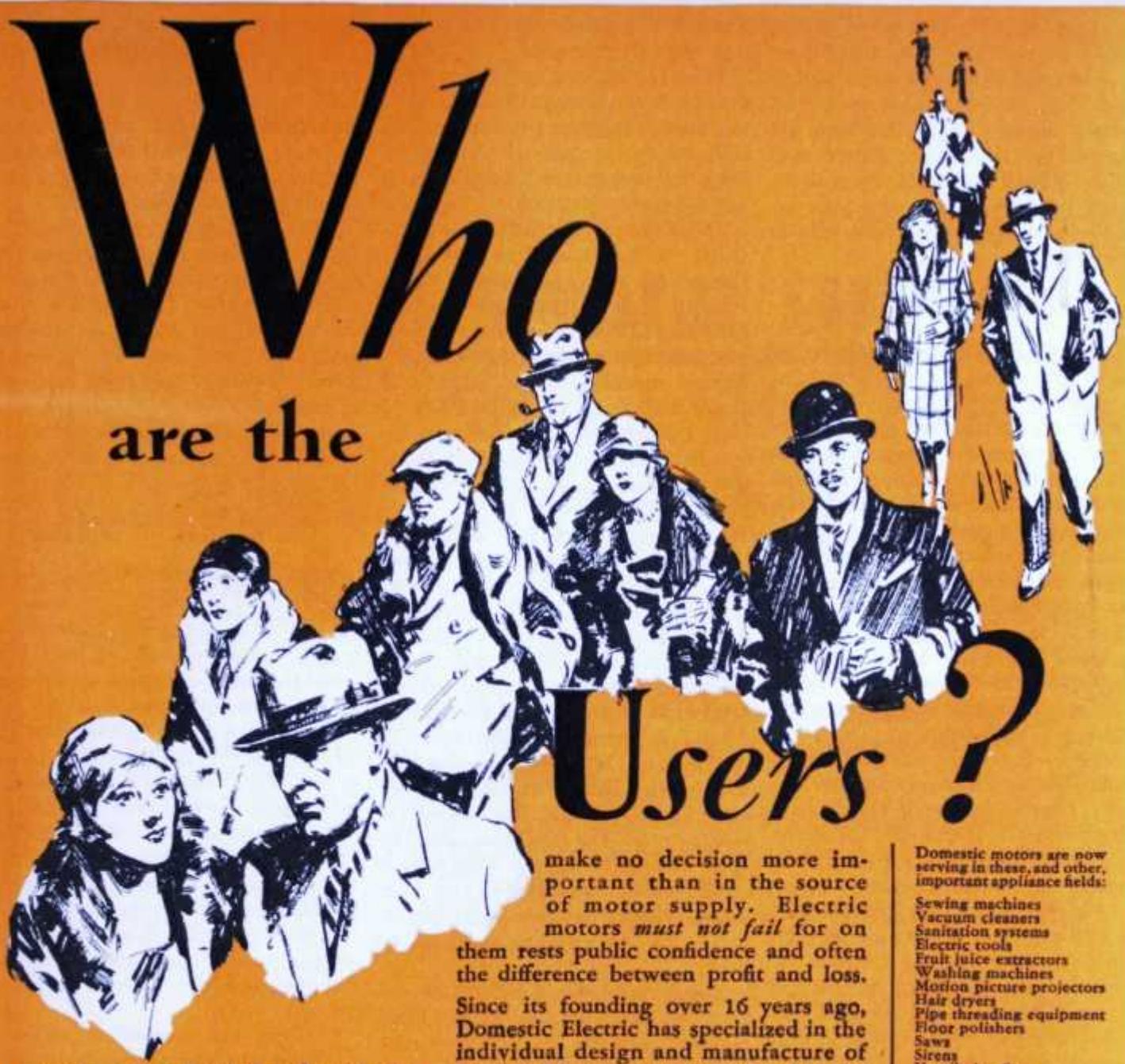
As it happened, I knew what was the matter. One of the salesmen was a neighbor, and a few days before he had talked rather frankly, perhaps indiscreetly, and this is what he said:

"Every year I make less money than I expected. The house pays us a salary and commission and I did well the first year. But the next year the house deducted the five per cent cash discount before they figured commissions."

"The change lost me several hundred

Who are the

Users?



FROM every walk of life and occupation they come. They are wives to whom household tasks are but a brief departure from a carefree day . . . machinists who with electrical hands find sweaty toil completed with amazing speed and ease . . . workers—in factories, offices, stores—who in the electrical machine discover a willing and a faithful servant.

Because of the increasing and more exacting uses a busy nation has found for the small motor, appliance builders can

make no decision more important than in the source of motor supply. Electric motors *must not fail* for on them rests public confidence and often the difference between profit and loss.

Since its founding over 16 years ago, Domestic Electric has specialized in the individual design and manufacture of fractional horsepower motors and in the study of appliance design, manufacture and marketing. Better than anything else, the imposing list of manufacturers in widely varied fields attests the unique character of Domestic Electric's service.

As an appliance manufacturer in the industrial, commercial or household field, you will find Domestic Electric will work with you—intelligently, helpfully and economically—just like a department in your own business.

THE DOMESTIC ELECTRIC COMPANY, Kent, Ohio

Information and Service Office located in Downtown Cleveland

Domestic
FRACTIONAL HORSEPOWER
Electric Motors

SMALL MOTOR MANUFACTURE • • APPLIANCE ADVISORY ENGINEERING

Domestic motors are now serving in these, and other, important appliance fields:

Sewing machines
Vacuum cleaners
Sanitation systems
Electric tools
Fruit juice extractors
Washing machines
Motion picture projectors
Hair dryers
Pipe threading equipment
Floor polishers
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Sirens
Ventilating fans
Sanders
Wood working machinery
Automobile jacks
Oil flushers
Air compressors
Sprayers
Oil pumps
Dish washers
Meat choppers
Coffee mills
Irons
Air clarifiers
Health machines
Drink dispensers
Cream separators
Can openers
Saw sharpeners
Adding machines
Electric hoists
Grinders
Cloth cutters
Oil burners
Sump pumps
Moving sign displays
Lawn mowers
Lawn swings
Pipe cutters
Heaters
Blowers
Radio
Garage door openers

We cordially invite anyone interested in the manufacture or sale of fractional horsepower motor appliances to inspect personally our factory and facilities.

dollars that I needed. Last year they deducted all goods sold in the branch offices, although they always had given us credit for them, and this absorbed more than the commission on my increased business. Now the boys are worried for fear they'll deduct mail orders. What's the use of trying to increase sales when they steal your increased earnings. I never have been so discouraged."

Discouraging managements

UNDoubtedly this same manager would have agreed that discouragement is a vicious business-loser, yet he was committing the bonehead play of creating discouragement throughout his sales force, and was then seeking an artificial stimulant to make his men forget this injustice. It appears to be a simple thing to prevent reactions of the kind and to assure morale by having a clean-cut understanding with salesmen and living up to it religiously; but the men to whom I have talked who were incapacitated for intelligent selling by bonehead plays of their management would make up a small army.

There was a young salesman, for instance, who sold a heavy hardware specialty. I have never known a more promising youngster. It was only his second year on the road, and his energy and enthusiasm were prodigious.

"I left home last New Year's night," he told me, "and I won't get back till Christmas Eve. The old man told me that if I sold \$50,000 during the year he would buy me a fine suit of clothes and raise my salary. I'm going in with more than \$70,000 on my order book, and I guess I'll get some raise—what?"

Several months later I found him a different boy.

"When I got home," he explained, "the old man couldn't remember having promised me anything, and he told me that my work wasn't unusual. But I hear that, in a speech at a meeting of manufacturers, he said it was foolish to pay salesmen high salaries, that houses didn't have to pay much if the men were properly managed. Then he boasted that the lowest salaried man on his force of 27 men stood second in sales. That was me. Flattering; wasn't it?"

"He told me that if I kept up my pace I'd get my raise in another year. But I couldn't see it. So I trailed

along until I could get another job, and I believe I've got one now with a house that keeps its promises."

There is nothing, it seems, that blasts the morale of salesmen like broken and forgotten promises, yet incidents of the kind are not exceptional. And it appears that next in their demoralizing effect are bonehead letters.

About twelve years ago, I wrote an article on "Ginger Letters that Don't Ginger" for a popular business magazine. Although only two of its incidents dealt with letters to salesmen, a number of salesmen wrote me and provided additional material. They related some costly and demoralizing mistakes by their management in the form of letters. In the last few months I have found that the same old mistakes are still doing their baneful work.

Perhaps a salesman best summed up the effect of bonehead plays on salesmen. He was reading his mail in a hotel, and, after chuckling over a letter, passed it to me. It was on the subject of loyalty, and my scanning glance picked up several phrases like "The man who is not loyal to us cannot be loyal to himself."

After I had returned it, he observed:

"You can bet there is something wrong with a house that has to urge its salesmen to be loyal. For about six months now, I've just been marking time. Haven't the energy to do more."

He paused thoughtfully, and then asked, "How can an honest salesman be loyal to a house with a rotten selling policy?"

Another productive field for bonehead plays lies within the province of a basic business principle. Recently, a manu-

facturer, discussing this phase with me, deplored the frequent deviation from sound policy by manufacturers and wholesalers.

Twenty years ago, he took charge of an unprofitable branch factory, and he has made it the largest organization of its kind in the world. So he speaks with the authority of achievement.

"The foundation of our success," he declared, "is a business policy that we have never changed in the slightest without widespread announcement. Yet the majority of concerns we do business with either have no policy, or depart from it whenever they think a change is expedient. Today any business concern without a fixed, open, sound policy is like a ship without a rudder on the high seas."

Old mistakes oft repeated

ANOTHER successful manufacturer told me some significant facts concerning the many nationally known companies that have departed from long established policies because of the lure of mass distribution.

"Why," he said, "it's just an obsolete mistake revived and repeated. Most of us learned 30 years ago that we couldn't depart from a sound price policy without encouraging price cutting, and we knew the price cutter to be a most demoralizing agent. Mass buyers have the same old story of the price cutter to tell; but they've dressed it up in different language, and it is amazing how many manufacturers have fallen for the proposition.

"One of our competitors whom I know very well told me the amount of his first year's business with a mass distributor and the price he got for his goods. I have figured the deal carefully, and the actual saving to the manufacturer was less than two per cent, although he allowed ten per cent below his wholesalers' price to get the business. Since then the condition of his distribution proves that no amount of extra volume is worth a breach of policy.

"His experience demonstrates that a secret concession or other departure from sound practice is dangerous and inevitably costly for many reasons, the chief one being that it cannot remain a secret. There is no question that such practices constitute the costliest mistakes in business, and it is a mystery to me that they are so frequently repeated."

A few weeks ago, it was my privi-



"You can bet there is something wrong with a house that has to urge its salesmen to be loyal"



An interesting one reel film, "The Battle Song of the Cities" depicting some phases of the smoke evil, will be sent free of charge to clubs, churches, schools, or other organizations desiring instructive entertainment for their meetings. Please write our Philadelphia office.

IS YOUR CHIMNEY STILL A SMOKESTACK

NOT long ago clouds of smoke pouring from the tops of smokestacks were considered signs of prosperity.

In the tense battle of business, larger problems to be decided have obscured the fact that such clouds almost invariably mean costly, inefficient combustion; that they always mean an added bit of destruction to property and danger to life in the community.

If your chimney is still a smokestack, send for a Reading Combustion Engineer. Let him recommend what should be done to save you money, and to save your community from the tax imposed on it by smoke.

You can use Reading Combustion Service without incurring any obligation. Nor is any Reading Combustion Engineer ever permitted to recommend Reading Anthracite unless its use will prove its greater value to you.

A. J. MALONEY
President

THE PHILADELPHIA AND READING COAL AND IRON COMPANY

PHILADELPHIA • NEW YORK • BOSTON • BUFFALO • DETROIT • TOLEDO • CHICAGO • MILWAUKEE
MINNEAPOLIS • ST. PAUL • ROCHESTER • BALTIMORE • WASHINGTON • READING • MONTREAL, CANADA

lege to observe the beginning of a rather disastrous result from this cause. While I was interviewing the merchandise manager of a department store a buyer came into his office with an order. The manager checked the totals, initialed the order, then turned to me with:

"Why can't manufacturers learn that the one-price principle is best. We have haggled over that order five days, and the transaction should have been closed in three hours. Both the buyer and my assistant were strong for adding a certain line to a department, and I agreed. So we wrote the manufacturer, a salesman called promptly, and the order was made up. Then the haggling began."

Two prices cause trouble

"THE salesman assured us that he had given us the best price he had, and that it was the best we could get. He convinced the buyer and my assistant, and both urged me to authorize the purchase. But a friend had told me that the company was giving several stores an extra five per cent, and I wanted it."

"This morning a branch manager turned up, in response to wires from the salesman. I told him that I would not listen to arguments, that all I wanted was an even break, and after some quibbling he gave us the concession."

In the next office, the assistant merchandise manager, when I mentioned the incident, declared:

"That is a despicable piece of business, for it places the buyer and myself in a bad light. The buyer swears that she will sell as few of the goods as possible until she can substitute a competitive line, and I don't blame her. As for myself, I shall see that several stores I know, which are handling the line at the regular discount, get the secret five. The company is going to pay heavily for misrepresenting its proposition. There is nothing confidential about the transaction as far as I am concerned."

More than 20 years ago I heard a great manufacturer say that goods are never completely sold until they are giving satisfaction to the consumer, and I have heard similar statements repeated endlessly. But it appears that most of those who express this belief consider it as a theory that may have many exceptions, and that the manufacturer's

principal problem is to get his goods sold to a distributor, not merchandised, by means of some bonehead play.

This concept of selling naturally leads to many forms of misrepresentation; but the most astonishing category is that large group of business mistakes which arises from obvious dishonesty. These mistakes range from shipping goods not

for a large part of the advertising. But the contract was cancelled five weeks later on the ground that the volume of goods sold did not justify it. Evidently the company did not realize that, without the advertising as promised, it had sold its goods under false pretenses."

"What was the final result of the campaign?" I asked.

"Well," he answered, "the company's goods were always weak in our market; but they are much weaker now than they ever were."

"How many companies have used similar methods in the last two years?" I asked.

"I can recall 16 whose selling campaigns I have reason to believe were premeditated misrepresentations."

"Did any of them profit from their campaigns?"

"Not one; and most of them are through in this market for a long time. That is the surprising thing—that so many continue to use a scheme that can only result in loss of money, business and reputation."

Merely the same old bonehead play repeated over and over, piling up losses at every repetition! My friend is sure that the procession of boneheads will continue indefinitely in his market, for manufacturers appear to be convinced that in some mysterious way they can make the old mistake work profitably.

All of which recalls another wise statement that my old teacher tried to implant in our minds:

Learn by experience—of others

"THERE are only two ways in the world to learn anything—through your own experience and through the experience of others. If you are intelligent, you will avoid the mistakes of others and profit by their experiences."

On this basis, there is need for a clearing house for bonehead plays. Some method of recording and broadcasting information regarding those common and frequent mistakes in business which are responsible for inestimable losses. It might be established by a vast convention of all kinds of business men, at which the thousands present would confess their experience in making moss-grown mistakes that cannot pay.

Such a step seems an imperative need, for there is little use in attempting to eliminate waste in industry and to reduce the high cost of distribution, when millions of dollars are being used to finance innumerable bonehead plays that are sure-fire failures.



"The old man couldn't remember any of his promises and said my work wasn't unusual"

up to sample to many forms of questionable selling schemes. One class is large and frequently practiced, and is typical of the entire range, according to the testimony of the manager of the merchandising service department of a large metropolitan newspaper.

"When crooked practices are profitable," he said, "you may have a reason for them; but the repetition of dishonest selling campaigns in our market is astonishing because the schemes invariably fail. For instance there is one practice that is crudely deceptive, yet some supposedly reputable concerns have tried it out. It is simply selling the market on the promise that the goods will be moved by a smashing advertising campaign which does not materialize."

"Here is a portfolio of such a phantom campaign. About six months ago, the company sent ten specialty men here, and they worked for a month. Each salesman carried the portfolio, which depicts a series of advertisements. The sales crew sold nearly 90 per cent of the retailers who handle these goods, and arrangements were made with wholesalers to handle these orders."

"Before the selling started, the company placed a contract with my paper

TOUCH FIGURING

speeds up profits...

You know how the touch system speeds up typing, enables your secretary to get out more work with less eyestrain and fatigue.

Similarly, the *automatic electric carriage shift* of the new Marchant, the only 100% electric calculator, enables the operator to run the machine with one hand while keeping her eyes on the figures . . . or even while blindfolded.

The machine does all the *work* electrically. The automatic shift moves the carriage at will, one step or many, in either direction, and saves time amazingly.

Faster figuring . . . absolutely accurate and without brain fog . . . increases efficiency all through a business. And that speeds up profits.

Learn how the Marchant can increase efficiency and profits for *you*. Have this new automatic electric carriage shift and the five big exclusive improvements of this calculator demonstrated on your own work. Compare it with any other calculator. Satisfy yourself in every way that the Marchant really is in a class by itself.

Mail the coupon or phone our local representative.

Sales and Service Offices the World Over

>Adds
Subtracts
Multiplies
Divides



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MARCHANT

ALL-ELECTRIC Calculator

5 exclusive improvements
that place the Marchant
in a class by itself

Electric, hand operated and portable models as low as \$125
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coupon for full
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Dept. 97; Oakland, California

Please send me at once free literature and
full information about

Marchant All-Electric Calculator
 \$125 Marchant Portable Calculator

Name _____

Firm _____

Address _____

City and State _____



It started with SHIPS AND Paul Revere

...THIS ELECTRO-AUTOMOTIVE-COPPER AGE OF TODAY



THE BATTLE BETWEEN THE U. S. S. CONSTITUTION AND H. M. S. GUERRIERE

The copper bolts and the spikes that fastened the Constitution's timbers and the copper that sheathed her hull were made by Paul Revere.

Paul Revere, whose midnight ride was heard 'round the world, began another march which still echoes throughout industrial America. It was he who discovered

the secret of drawing malleable copper under the hammer. It was he who established the first copper rolling-mill in America. It was these developments which were the



When writing to REVERE COPPER AND BRASS

forerunners of the American copper industry, of the electro-automotive-copper age of today, and of Revere Copper and Brass Incorporated which operates 25% of the country's copper and brass rolling-mill facilities.



Old North Church, Boston

HOW IT STARTED

It all started with ships. The cry of 1800 was for ships. And the cry of the ship-builders was for copper to sheath hulls... because copper does not rust.

This was the need that inspired Paul Revere.

COPPER SHEETS BECOME ROOFING

Revere sheet copper soon became popular for roofing. It was used on the dome of the State House and Old North Church in Boston. Shortly after, the National Capitol was roofed with copper rolled by Baltimore Copper Mills, now a Division of Revere.

Thus was begun America's production of architectural copper, brass and bronze.

THEN ELECTRICITY

Revere copper rods found another and most significant use... as lightning arresters. Thanks for this is due Benjamin Franklin, whose experiments proved copper the ideal conductor of electricity.



Benjamin Franklin's historic kite experiment

This early union of electricity and copper resulted in an amazing development for both when Edison's inventions brought the electrical industry into being. And it was in this industry's stimulating early years that the Rome Division of Revere Copper and Brass Incorporated got under way.



The Original Ford

READY FOR THE AUTOMOBILE

Next came the automobile. That century of experience, since Paul Revere, had proved the merits of copper and brass for the radiator, the electrical connections, the supply lines, the hundred and one special parts where resistance to rust is essential. And, to make them, there were established in Detroit the Michigan and Higgins plants now Divisions of Revere.

Since then, almost every new invention has brought a new use for copper and brass. Telephony... electric railway... airplane... electrical household appliances... radio.

Gearing up to these spreading demands came another of the Revere units, Dallas Brass & Copper Company in Chicago, heart of the industrial West.

THUS... in 130 years, those shipyard beginnings of Paul Revere have led to the electro-automotive-copper age of today. And in all these new needs, these new futures, the name Revere is still in the very front ranks of the march of industry. Under it today are seven great plants, including the two largest copper mills of the country; modern up-to-the-minute methods; diverse facilities and experiences covering the whole range of copper, brass and bronze manufacture.

Revere Copper and Brass

INCORPORATED

Divisions: Baltimore Copper Mills, Baltimore, Md. . . Dallas Brass & Copper Co., Chicago, Ill. . . Higgins Brass & Manufacturing Co., Detroit, Mich. . . Michigan Copper & Brass Co., Detroit, Mich. . . Rome Brass & Copper Co., Rome, N. Y. . . Taunton-New Bedford Copper Co., Taunton, Mass.

GENERAL OFFICES: ROME, N. Y.



• • ANSWERING THE CRY OF INDUSTRY FOR MORE SPEED, MORE SAVINGS—

One compelling reason for the universal use of motor trucks is this: They save time. And time saved is money saved.

Dodge Trucks save time in more ways than one. They are speedy—in get-away and on the open road. They are dependable and therefore work faithfully and long with the minimum of time off. They are correctly powered and geared to haul speedily full

as well as partial loads. Drivers save time and conserve energy because of their ease of control, their riding comfort and their quick accessibility to load.

Thus, in terms of work done, trips made and time saved Dodge Trucks are out and out savers—money savers, money earners. Proof is speedily found by inspection and test of any type—from the $\frac{1}{2}$ -ton to the 3-ton.

DODGE TRUCKS



The formal opening of telephone communication between the United States and Spain. King Alfonso is the central figure in the group seated at the table. Colonel Behn at the extreme right

A Dozen Nations Regulate His Rates

By EARL CHAPIN MAY

In spite of attempts of fiction writers to classify American business men as limelight-seeking blusterers, the fact is that men who are really doing things seldom like to talk about their accomplishments. Sometimes, as a public duty, they will allow themselves to be quoted. But, as a class, they prefer to have their deeds speak for them.

One of these modest American business leaders—and in point of both modesty and accomplishments he takes a front rank—is Col. Sosthenes Behn.

During the two decades in which he has arisen from a relatively humble position in the commercial life of Porto Rico to the chairmanship of the International Telephone and Telegraph Corporation, Colonel Behn has successfully sidestepped interviews. He also has

strenuously opposed any public reference to his ability as a developer of communications systems.

As a dominant figure in the telephone, telegraph and cable fields throughout Latin America and in many parts of Asia, North America and Europe, and

in the waters separating these continents, his merest word has long been sought. During the past ten years, especially, it has seemed as though the world of communications might be his oyster. In the meanwhile, he has been just about as loquacious as that bivalve

★ **SOSTHENES BEHN** of International Telephone and Telegraph gets along with governments. In fact, he told a Senate Committee that Government should jealously guard its right to control communications. The reasons this control does not embarrass his company will be found in this article as will some other observations about the whole field of communications

has. Hence, when he voluntarily appeared before the Senate Committee on Interstate Commerce last June, and calmly declared that the Government has the right and should at all times reserve such right to regulate rates for telegraph, cable and wireless services, he shattered a well established tradition.

Among these competitors, Colonel Behn's position is peculiar. The International Telephone and Telegraph Corporation or its subsidiaries do business in more than a dozen foreign countries, in each of which the government in some manner controls communication rates and methods.

Colonel Behn is not embarrassed by these governments. He gets along splen-

Porto Rico Telephone Company, chairman of the board of the Cuban Telephone Company and the International Standard Electric Corporation; president of the Havana Docks Corporation; second vice president of the Cuban-American Telephone and Telegraph Company; director of the National City Bank of New York; honorary president of the Insular Chamber of Commerce of Porto Rico.

I cite a few of the honors he has won by way of introducing the man himself. Let him, his record of never having been interviewed unsullied, tell the story of his activities as he told it to the Senate Committee on Interstate Commerce, with only such minor editorial adjust-

ments of the transcript as are essential to the present purpose.

"In 1920," he began, "my brother, Hernand, myself, and one other man and a stenographer organized the International Telephone and Telegraph Corporation with six million dollars of paid-in capital. We now have more than 85,000 employees and own or control 30 main and subsidiary companies.

Building Pan American cables

"IN addition to the parent company, there are the main American companies—the All American Cables, Inc.; Commercial Cables; the Postal Telegraph and Cable Corporation; the Mackay Radio and Telegraph Company; the Commercial Cable Company of Massachusetts; the Commercial Cable of Cuba; the Postal Telegraph System, and the International Standard Electric Corporation, which was formerly the International Western Electric Company, with factories in Belgium, Antwerp, Tokyo, Vienna, London, Paris, Budapest, Milan, Shanghai and other places.

"We are developing an international communications service with special regard to Pan-America. The All American Cables run from New York through the West Indies, down the west coast of South America, across the Andes, to Buenos Aires, and up the east coast to Rio de Janeiro. In the past two years, we have obtained radio telephone and telegraph concessions in the Argentine, Chile, Peru and Colombia.

"We also have, as associated companies, the telephone-operating companies in Chile, in Argentina (the major part being in Buenos Aires), in Montevideo



"We look to radio . . . as a sort of scout to go out and create roads of communication. But when the volume is there . . . the cable responds the better"

didly with all of them. Tall and dynamic, he possesses an abiding sense of humor. At a board meeting, for example, the Colonel fairly scintillates. He can be brilliant in six different languages.

Served in Army Signal Corps

YOU will judge from his title that Sosthenes Behn is a fighting person. His title is supported by his military record. On June 19, 1917, he was a captain in the United States Army Signal Corps. Later, he became a major and a lieutenant colonel. He commanded the 322nd Field Signal Battalion in the Chateau Thierry, St. Mihiel, and Argonne engagements and came out of service wearing the Distinguished Service Medal and other decorations.

His business record is equally distinguished—chairman of the board of the



Looking forward on a cable ship as she plods through the ocean bringing fast communication to some new country

Millions of Tiny Barriers say—



RUST SHALL NOT PASS

Why doesn't rust eat into Reading Genuine Puddled Wrought Iron Pipe, as it does into ordinary pipe? A microscope will tell you—and more than eighty years of experience will furnish the proof! For, throughout the structure of Reading 5-Point Pipe, millions of silicious barriers say "Stop" to corrosion.

Puddling—the time-tested way of making the original, Genuine Puddled Wrought Iron—distributes this silicious element so uniformly that rust can't find a loophole. That's why it is important to insist on getting Reading Genuine Puddled Wrought Iron, known for generations. Our name and indented spiral mark protect you.

When you install Reading 5-Point Pipe, you are sure that pipe maintenance costs will be *practically nothing* during the entire life of your building! Remember, too, that the initial cost of Reading 5-Point Pipe is only slightly higher than that of cheap, unsatisfactory pipe.

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Detroit - Pittsburgh - Los Angeles - Kansas City

For Your Protection.
This Indented Spiral
forever Marks



Science and Invention Have Never Found a Satisfactory Substitute for Genuine Puddled Wrought Iron

video, in Uruguay and in the southern provinces of Brazil. From the last points we will connect with the British company operating in Rio de Janeiro.

"We plan to lay a telephone and telegraph cable down the east coast of North America to Cuba, and thence to Venezuela and the River Plate. We will then have connections by cable to both the east and west coasts of South America.

"We look to the radio, particularly in the telephone field and to a certain extent in the telegraph field, as a sort of scout to go out and create roads of communications. But when the volume is there and we can reach points directly, the cable responds the better to service.

"When we cannot reach points directly we must resort to the radio. Hence we are building a strong station at Buenos Aires through which Madrid will connect with about 200,000 telephones in Argentina and about 33,000 in Chile. From Madrid, we will tie up with the European and English systems.

"Last year we connected the South American republics of Chile, Uruguay and Argentina by a trans-Andean telephone line, and the three presidents of those countries inaugurated the service. It was the first time we had put them within talking distance of each other. The station in Peru will connect with the Argentine, Brazil, Chile and Colombian stations and these five radio telephone stations will connect with Europe, the United States and the remainder of the world."

International holding company

SO MUCH for the way in which the web of communication mediums has been spun over these great stretches. The financing of this development program—the manner in which International's stock was issued and how its value has been established—makes just as intriguing a story.

"The parent International Telephone and Telegraph Corporation," continued Colonel Behn, turning to this phase of his company's activities, "had, on March 31, of last year an actual paid-in capital of 167 million dollars and there were 92 million dollars in debentures outstanding. None of this capital is promotion or good will stock. All stockholders have paid for their subscriptions in full.

"Many of the subsidiaries have large capital and we always intend to get local capital. When I was granted the concession for the Spanish Telephone

Company in 1924, there was no restriction as to American control. The only restriction was that 80 per cent of the personnel should be nationals. Of the present 10,000 employees of the Spanish Company, I might say here, only about 30 are Americans.

"It is the experience of communications companies to reduce rates and handle a greater amount of business. When the Civil War veteran, Captain Scrymser, organized the All American Cables, he started with rates as high as \$3.98 a word and then gradually reduced them until now, to all South America, the rate is about 42 cents a word.

Low rates boost business

"WE RECENTLY made an arrangement to take over a French company cable. This cable operated through an American subsidiary called the United States and Haiti Company, and ran from New York to Cape Haitien, then to Cuba, to Porto Rico and the Dutch West Indies and to Venezuela. The first thing we did was to cut rates to Haiti and the Dominican Republic, in some cases from 50 cents to 40 cents a word, in some cases from 75 to 60 cents a word.

"We were able to do this because of economies. We are always trying to lower rates and thus increase the volume of business. We lower rates voluntarily. Two years ago we voluntarily cut the rates to all South America from 15 to 20 per cent. We lost money the first year, but it has come back home.

"We build up good will and business by giving service. Four years ago, we took over the present Mexican Telephone and Telegraph Company, whose main plant had been confiscated during the Carranza trouble. We negotiated with the Mexican Government, sent down our engineers and crews, built up the company, and during the past three years have given communications to our border at Laredo through which the U. S. Ambassador has been able to communicate with our Government at all times. Mexico, in addition, has been given communications with Cuba, Spain, France and England."

Governmental regulation and consolidations are other subjects upon which the chairman of the International has some pertinent thoughts.

"I believe," he said, in discussing these subjects, "that retention of existing powers by the Interstate Commerce Commission, with continuance of the present Radio Commission, would be adequate for the immediate future, although it may be that later it would be advisable to segregate from the Inter-

state Commerce Commission, into a special Communications Commission, the control and supervision of communications services.

"Whether the powers of the Interstate Commerce Commission be continued or the proposed Communications Commission be established, it is my belief that the consolidation of wire, wireless and cable companies should not only be permitted but even encouraged.

"Such consolidations, I believe, are necessary to promote to the fullest extent the development of telegraph, cable and wireless services. This development will result in incalculable benefit to the American people, will promote their national, economic and social welfare, and will also result in encouragement of international intercourse and trade.

"It is essential that American communications services be placed on at least an equal footing with the coördinated foreign communications services. Therefore, the necessary authority should be granted to permit mergers of wire companies as well as of wire and wireless companies, providing such mergers will not result in increased rates.

"If, however, mergers are not permitted, rates will most likely be maintained substantially as they are. Reductions, if any, will be made grudgingly, because of increasing separate capital investments and maintenance and general administrative charges.

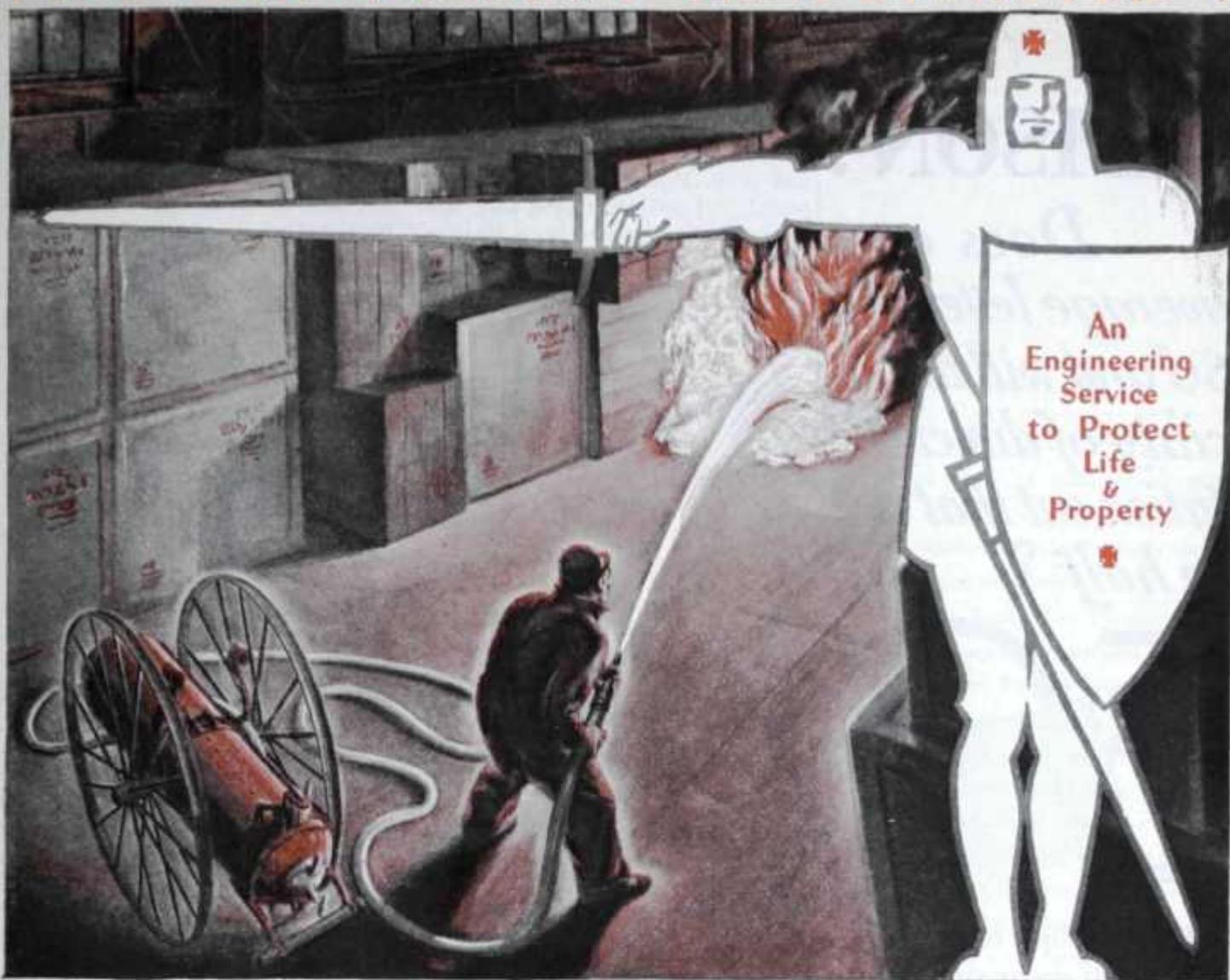
Mergers grow elsewhere

"THE policy of our Government in preventing mergers, especially between companies rendering cable and wireless services, is in singular contrast to that of other governments. No other country possessed of extensive interests in international communications has legislation prohibiting such amalgamations."

Sometimes vast amalgamations of public utilities such as Colonel Behn referred to are purposely surrounded by mystery by their sponsors. But there's no mystery about International's development. Colonel Behn readily went into detail.

"The understanding with respect to a tentative plan for the acquisition of the communications business of the Radio Corporation of America," he said in discussing the latest projected move of his concern, "is that, subject to the advice and approval of counsel and directors, and governmental approval, International will make payment to the Radio Corporation, by delivery on the date of closing after necessary governmental action, of 200,000 shares of Interna-

FIRE — AN INCIDENT OR A DISASTER ?



Stored for shipment — *a spurt of flame* — a season's profits endangered!

The work of months—packed... ready to ship to waiting customers. Suddenly, fire took a hand... threatened... almost succeeded... and was checked by prompt action. The right extinguishing device, correctly located for quick action, turned what *might* have been a *disaster* into an *incident*.

▼ ▼ ▼

Against such attacks, LaFrance and Foamite Service, symbolized by the Crusader, is guarding tens

of thousands of industrial plants and public buildings.

This service takes the *guess* out of protection. It is based on *facts*.

It starts with a detailed survey of the fire hazards of your property by trained fire protection engineers. On this study are based concrete recommendations for safeguarding against each hazard—unbiased, for this company makes every recognized type and size of fire extinguishing device.

This complete service to safe-

guard business and profits should interest every executive charged with their management. Regardless of the size of your property, it is available to you. Your request for a representative implies no obligation. . . . American-LaFrance and Foamite Corporation. Address our Dept. D63, Elmira, N. Y. *Offices in all Principal Cities.*

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Let us prove this. Telephone "The Ediphone," your City, or ask us for the book, "An Easy Way to Chart Your Correspondence."

THOMAS A. EDISON, INC.
ORANGE, N. J.



*World-Wide Service
in all Principal Cities*

Ediphone
Edison's New Dictating Machine

International Telephone and Telegraph Corporation stock, and by the delivery of 40,000 shares annually for five years after the date of closing, the stock to be of the then par value of \$100 or the equivalent number of shares in case of subdivision.

"All we have agreed on is the property and price. Pending governmental approval, and until the closing date, both companies will proceed with their respective development plans, but to the extent possible, ultimate duplications and conflicting contractual arrangements will be avoided.

"I am confident that the carrying out of this understanding will be in the best interests of the development of communications both within our country and in our relations with other countries of the world. We can envisage in the next few years an amazing development of wire and wireless services.

Advantages in union

"WE HAVE international service with the one merged British communication company. We deal with this company. The Radio Corporation of America deals with it and the Western Union Telegraph Company deals with it and we are all at a disadvantage, because the British company is dealing as one and we are three companies.

"If the International Telephone and Telegraph Corporation is permitted by our Government to purchase the communications business of the Radio Corporation of America, the International will acquire the Marconi's contractual relation with Radio, and also Radio's contract with the French Radio Company. It is inconceivable that the British Government will allow another company to put up any other station under government auspices.

"The French Radio Company has no monopoly, but it is inconceivable that the French Government would grant other concessions, because the volume of business does not justify it. In Germany, they have the German Cable Company and the Radio Company; and so in Italy.

"If the United States Government permits us to take over the communications business of the Radio Corporation, we will have an interest in the Radio Corporation's patents, but will not place any value on its wave lengths. These, after all, are grants which the Government can take away at any time. We have wave lengths of our own and are building up a system of our own.

"If Congress does not permit the merger, we will continue to build a radio

system, because it is a valuable aid to our work.

"The International believes that by taking over the Radio Corporation's communication business it will have less expense, less overhead; we will not be building up tremendous separate plants and investments.

"The Radio Corporation is undoubtedly able to handle more traffic. The Western Union is able to handle more traffic; and we are able to handle more traffic. We all have investments, general managers, overhead, laboratories, and all kinds of expense. With separate cable companies operating competitively, rates have been reduced about 20 per cent in ten years. They are cut to the bone, however. But if the International, Radio Corporation and Western Union were consolidated, there would be a reduction of ten per cent in rates after a period of readjustment.

"Moreover, we would be able to give better service because we could better utilize the combined facilities. There is a demand for deferred service that we cannot afford to give today, because we are separate entities. But when you throw your companies together, it will work a complete revolution.

"The Government could more easily regulate rates under a consolidation than with competitive systems, I believe. In the present development of communications, I personally believe that it would be a mistake to regulate capital-stock issues, but I also believe that as long as the Government has the right to regulate valuations and rates, the public is safeguarded as to charges for services given within the nation.

Difficulties of regulation

"REGULATION of international business is a little bit more difficult. The Government must have the right, which it has anyway, to watch the fellows play, and if they are not playing right, to step in and regulate the game. But if you start to regulate the rates, between here and Peru, for example, the Government of Peru will say: 'We would like this service to operate, or that service.'

"I do not object to a government commission fixing a rate according to the amount of money we have actually invested. We operate under that system in several foreign countries. We want to live up to the policies and practices of our Government, however, in any case. But we have a world competition to maintain, and I think, in the interests of all concerned, our Government should direct those policies toward the maximum development of communications."

FACING THE WINDS FROM A MIGHTY SEA

SAN FRANCISCO
LOOKS WEST . . .
INTO THE FUTURE

OUT of the bay Portola found, across the path of Drake's *Golden Hind* a giant commerce is plotting its way. On the farthest shores of the long Pacific tomorrow is beginning to dawn . . .

900,000,000 people in the lands that it borders are waking to wonder what's new in the world and whence their share of the world's production.

Alert, modern-minded, San Francisco is preparing an answer.

San Francisco Bay is the natural gateway to these people in the lands bordering the Pacific; and the ground-work for this great Pacific commerce is already laid. Here the rails of three great transcontinental roads meet water at the edge of a bay where every ship in the world could find shelter at one time, and the value of whose water-borne tonnage is even now second in the United States. Here is the headquarters city for the leading financial, manufacturing, railroad, shipping and distributing interests of the West. San Francisco is center of a region enormously rich in natural resources (economical natural gas



B. L. H. & Co.

is one). A mild, sunny climate the year 'round and ideal living conditions raise labor to its highest productivity.

Today San Francisco serves the most concentrated population in the West. Within a radius of one hundred and fifty miles live half the people of California, while 1,600,000 people of more than average per capita wealth live within a radius of an hour's ride.

11,000,000 people who live west of the Rocky Mountains, are served more quickly and cheaply from San Francisco than from any other city, and the advantages that make this so have a direct bearing on the problem of serving the near-billion along the Pacific.

The known tremendous advantage this city owns—and a pioneer sense that was born when the West was young—promise a future that none can deny.

Write Californians Inc., Dept. 1303, 703 Market St., San Francisco, whether or not you're a visit planned for this year. They are anxious to tell you more about San Francisco—to send you facts and photographs.

SAN FRANCISCO

IN CALIFORNIA "WHERE LIFE IS BETTER"



Alarms from this Detroit radio station have resulted in hundreds of arrests

Radio Turns Crook-Catcher

By CLYDE B. DAVIS

● **RADIO, besides entertaining you, is helping to protect your life and property. Through broadcasts to radio-equipped police cars murderers are being caught red-handed, burglars are being caught as they bundle up their booty, bank bandits are being arrested as they flee with their loot—**

TWO little girls in Detroit, passing the home of a friend at night, noticed a flashlight's beam in the basement. Knowing that no member of the family was at home, they ran to a telephone and called police headquarters. Patrolmen answering the alarm caught the burglar in the basement 90 seconds later.

A woman living in LaSalle Boulevard saw a light appear in an upper room

of the house next door. She knew the family was away, and called police. The officers caught the man as he leaped from a window after throwing out a bed sheet filled with silver.

Within a few seconds of the time that a citizen reported another prowler to Detroit police, the man was arrested in the basement of a neighboring house.

The police in each case arrived in a radio-equipped scout car.

The radio cruisers of the Detroit police began to function on really a large scale in April, 1928. More than 1,800 arrests have been made by this division of the department. The last four months of 1929 were record breakers, each in turn surpassing the previous high total.

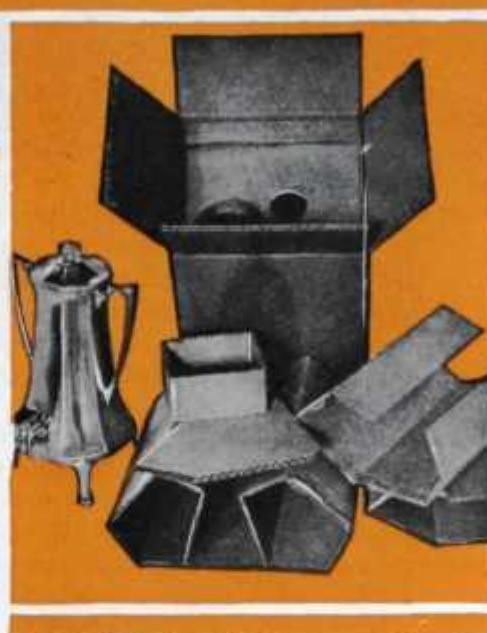
In November Police Radio station WCK flashed 3,322 messages to units of the police department. Police cars made 1,512 runs in response to these calls and in 175 instances the police arrived before the criminals got away. In these 175 cases the police made 292 arrests. The total time between sending of the calls and the arrests was 197 minutes—an average of 73 seconds per call and an average of barely more than 40 seconds per arrest! Due to a police radio

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Such a package can be designed only by an expert designer, trained and experienced in handling packaging problems. 50 such Package Engineers are on the H & D staff. Their counsel and service saves shippers thousands of dollars annually.

A check-up on your packaging system may save you money. At least



An H & D Engineered Package accommodates the odd shape of this coffee urn with complete protection

it will cost you nothing to have an H & D Package Engineer analyze your packaging problem. You owe it to your business to make sure that your packaging system is right. Now, in

No waste space in this compact H & D designed package for cooking utensils

**SEND FOR THE
PACKAGE ENGINEER**



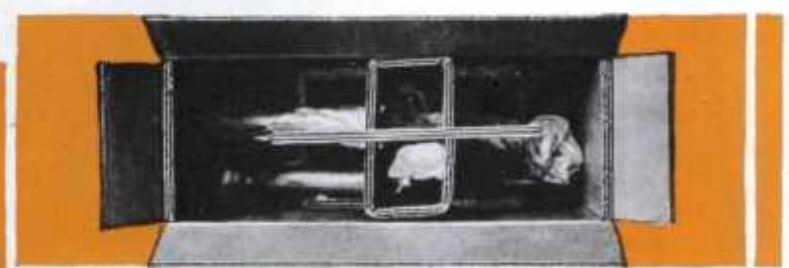
the quiet season, is the time for this. Mail the coupon below for a copy of the latest H & D booklet on scientific packaging in your industry.

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304 DECATUR STREET, SANDUSKY, OHIO**

Canadian Address: King's Street Subway and Hanna Ave., Toronto



An efficient H & D Engineered Package for oil burner control unit



H & D Engineered Packages are used extensively by automobile parts manufacturers

HINDE & DAUCH *corrugated
fibre* **SHIPPING BOXES**



THE HINDE & DAUCH PAPER COMPANY
304 Decatur Street, Sandusky, Ohio

Please send a copy of "How to Pack It" to

Name _____

Address _____

Town _____

We are interested in packing _____

call, two kidnapers of the son of a wealthy restaurant owner were captured within a few minutes after they had received ransom money, the money was recovered and the men got long prison terms.

A bank robber was handcuffed in less than 60 seconds after he had held up a cashier. A murderer was caught in the act of throwing his pistol in a creek two minutes after the killing. One of the radio cars received a report that a man had been tossed into the river. In 70 seconds the police had pulled the man from the water, alive.

A desperado who was robbing a coal company's office was killed two minutes after an alarm had been given. A police car's marksman, with whom the bandit chose to shoot it out, brought him down.

Will radio abolish crime?

IN AN address before the International Association of Chiefs of Police in annual convention at Atlanta last June 4, Commissioner William P. Rutledge of the Detroit police department, after describing police achievements through the use of these radio-equipped cars, declared:

"And yet we know that radio is only in its infancy. Before long every officer on beat will be equipped with a small radio receiver. Every man and every car patrolling our streets will be directed

by radio orders. The value of police service to our citizens will be increased a hundredfold."

"The psychological effect of quick capture acts as a powerful deterrent to crime. The actual effect is being recorded daily in the log of our police radio. We are catching and convicting more stick-up men, robbers and other criminals than ever before."

"Prosecutions have increased 54 per cent. All of which is discouraging to the criminally inclined. Use of radio, in my opinion, is the most forward step taken in the 35 years that I have been connected with police work."

Following Commissioner Rutledge's revelations, developments in the use of radio by police multiplied. Chicago sent investigators to Detroit, with the result that the Detroit system, with slight modification, was adopted in the nation's second largest city. Now 150 or more radio-equipped police cars are in operation in Chicago streets.

Although the New York police department has given considerable time and effort to the establishment of an airplane patrol, Commissioner Whalen is planning to establish radio-equipped motor patrols and has thoroughly investigated methods and results at Detroit and elsewhere. He has announced that the contemplated broadcasting set would cost \$8,000 and the receiving sets \$200 each.

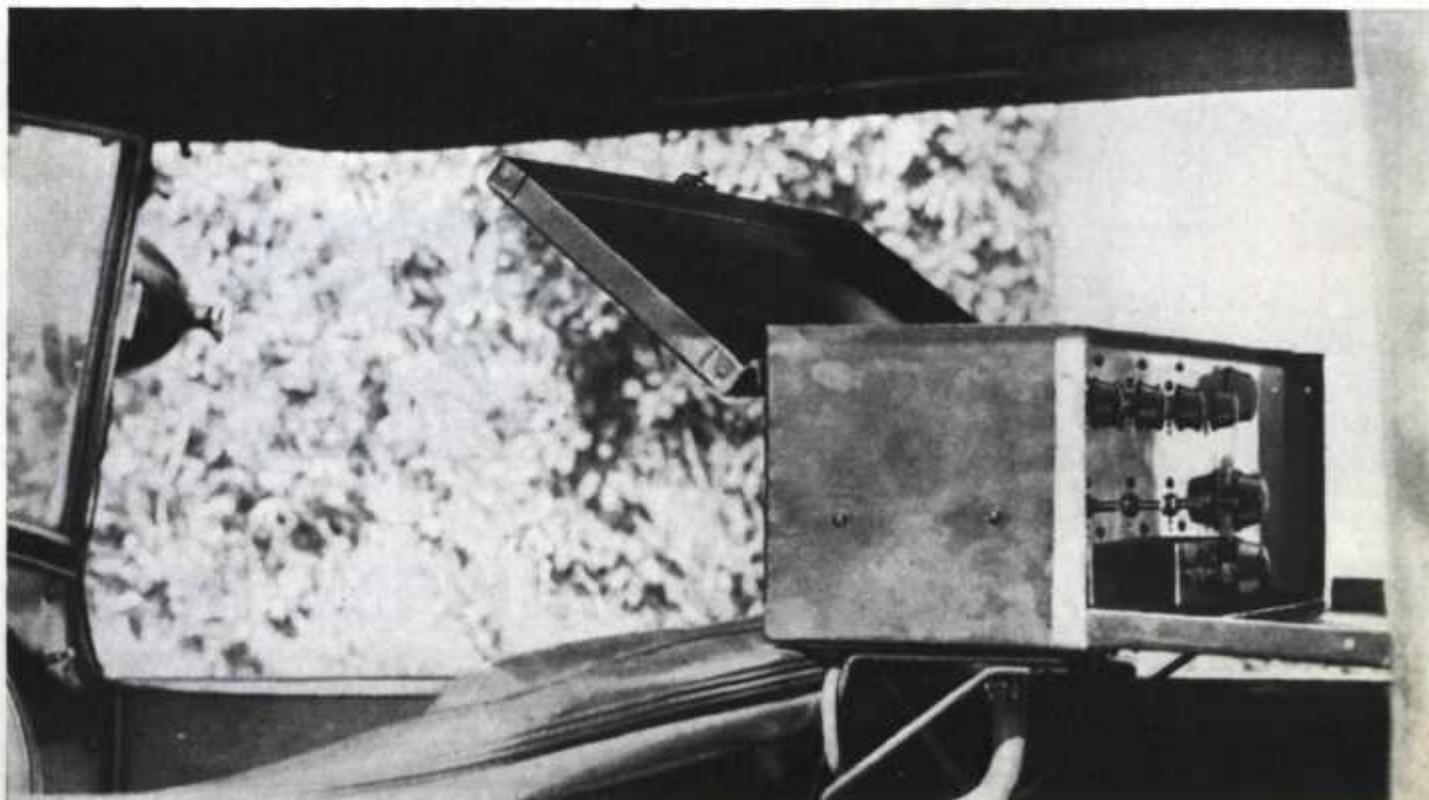
Highland Park, a municipality of nearly 100,000 population and which is surrounded by Detroit, has its own police broadcasting station and nine radio-equipped cars. Chicago is making plans to build its own radio station. There the police have been broadcasting orders from a local station. Cleveland has six radio cars, and also is working out plans for a station operated exclusively by police.

Buffalo, N. Y.; Berkeley, Calif.; and Indianapolis, Ind.; have installed radio stations patterned after WCK. Philadelphia, Cincinnati, St. Paul, Minneapolis, Auburn, N. Y.; St. Joseph, Mo.; and Flint, Mich. are contemplating construction of similar stations after investigating the Detroit records.

Pennsylvania, Massachusetts and Michigan state police are equipped with a radio arm.

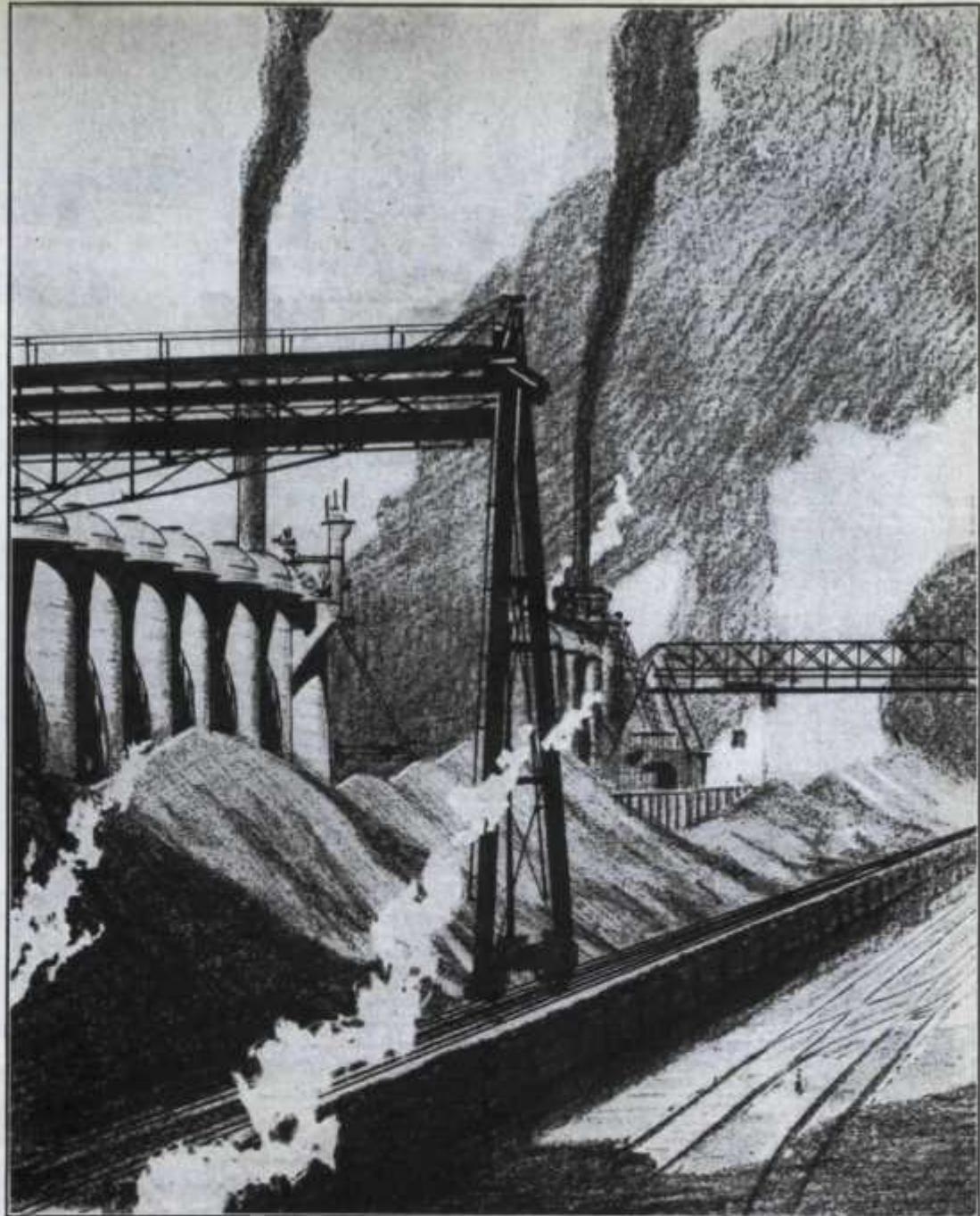
Detroit was the pioneer in this police radio development. Its police department was the first to have a municipally-owned station, operated by licensed operators and devoted exclusively to police work. Equipping a police automobile with a radio receiving set was first tried there in 1921. That car blazed this new trail in criminal hunting.

Commissioner Rutledge for years led what appeared to be a hopeless battle in behalf of radio. Skepticism was here, there and everywhere. Development for seven years was slow. From the begin-



Radio-equipped police cars, such as this one, enabled Detroit police to make 600 important arrests in an average time of 80 seconds after receiving the alarm

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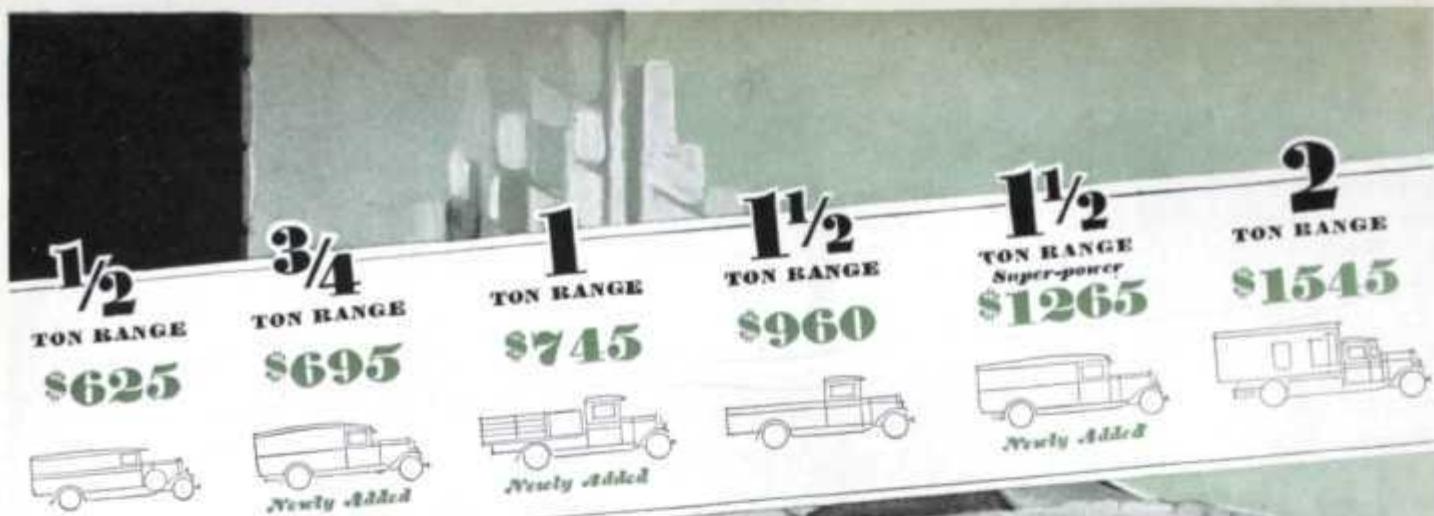
THE Erie Railroad System offers highly advantageous locations to almost every type of manufacturing industry. Running through the great American Industrial Empire, it provides ready access to important markets, plentiful labor, fuel coal, and low tax rates.

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Complete with 7' 6" panel body
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Every model has been tested and proved far beyond any tests it could meet in actual operation. No changes have been made in any of the fundamental features that make General Motors Trucks such outstanding profit-earners.

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TWO THINGS TO REMEMBER:

No General Motors Truck in America is ever farther than a few hours' travel from competent service, and complete parts stocks. *Purchase of any General Motors Truck is made easy; financed at the lowest rates available anywhere, through our own Y. M. A. C.*

GENERAL MOTORS TRUCK CO., Pontiac, Michigan. (Subsidiary of Yellow Truck & Coach Mfg. Co.) GENERAL MOTORS TRUCKS, YELLOW CABS AND COACHES. Factory Branches, Distributors, Dealers—in 1500 principal cities and towns.

(All prices given here chassis only, f. o. b., Pontiac, Michigan)

MOTORS TRUCKS

ning Mr. Rutledge was convinced that a most potent ally of law and order existed in radio.

He believed it might be used for communication between police departments of many cities, and, more important, for communication between police executives and patrolmen travelling in police automobiles.

Police radio faced handicaps

THE first radio-equipped car excited curiosity but that was about all. In 1922 Mr. Rutledge arranged state-wide broadcasts of license numbers of stolen automobiles, and in letters to sheriffs and police chiefs throughout the state urged the use of radio in their work.

Detroit's police radio station was used intermittently and with doubtful success. Obstacles were many. The Government lacked Mr. Rutledge's serious view of radio's usefulness in police work and hesitated to give preference to police radio stations. The Detroit plant was forced to broadcast important information on a wave length that made the messages public. Thousands of citizens would listen in on police reports during the early morning hours.

Federal radio authorities stipulated that the police station must include in its program entertainments or features! As the Commissioner said:

"If we wish to broadcast an alarm of a murder or a holdup, we first must play a tune on the fiddle."

The Detroit police declined to continue operation of the station under such ridiculous and discouraging conditions. But the station was closed only for a short time. Operations were resumed under an amateur license that permitted elimination of all entertainment features.

The first police receiving sets were of a selective type and could be tuned in on commercial stations. After one of the police crews had been found listening to an outside musical program the sets were rebuilt, so as to register only the police broadcasts.

Seven long years of repeated setbacks, unrelenting efforts and constant study finally were rewarded. In the spring of 1928 the system began to function in earnest. Since that time the Detroit police have made such a record of arrests that police departments all over the world have been impressed. Again quoting Commissioner Rutledge:

"Snaring criminals in a radio network, woven by broadcasting to radio-equipped pursuit cars, has become a matter of seconds. Seconds are precious to lawbreakers. They spell the difference between escape and capture. By use of

radio we are catching criminals red-handed. We are eliminating introduction of circumstantial evidence in trials by indisputable proof of guilt. Economically, we are cutting down the cost of law enforcement by catching the crooks with the goods on, instead of getting them after a long chase. We have quickened and lengthened the arm of the law. We have synchronized arrests with depredations. Instead of trailing behind the criminals' dust we are as near abreast of them as it is humanly possible to be.

"Murderers have been caught at the scenes of crimes before they have had a chance to dispose of their weapons. Burglars have been captured while still piling up their loot in homes. Bewildered automobile thieves have gasped as the police cruiser roared alongside of them a few minutes after they had stolen a car. Speeding hit-run drivers have been captured. Thugs have been nabbed while still in the acts of robbing their victims. Racketeers and bad check passers have been caught. Bank stickup men have been in handcuffs within 60 seconds of the time they fled from the bank.

Radio helps prevent crime

"I DO not think I exaggerate when I say that I probably could relate in the accomplishments of the last 12 months the most spectacular series of criminal apprehensions in the history of our profession. . . . Runs have been made in less than 30 seconds and dangerous criminals caught plying their trade. Many cases could be cited to prove that radio communication to police cars is the greatest development of modern times in the prevention of crime and the apprehension of criminals."

During the last year Detroit police, through a new development, have reduced to four seconds the time between the department's reception of messages and the flashing of instructions to all police cars. The police dispatcher now plugs in on his switchboard, automatically putting the radio station on the air. He broadcasts direct to the police automobiles. The radio operator also gets the call and repeats it as the cruisers start after their prey, flashing additional information as it comes in. Sergeant Kenneth Cox, formerly in charge of the radio division, estimates that it soon will be possible for Detroit to have a radio-equipped car within 30 seconds' run of virtually every crime reported.

Lieut. E. C. Denstaedt is the new chief at W C K.

The receiving sets now in use were

designed by a patrolman, Robert L. Batts. Sergeant Cox attributes a great measure of the department's success to this type of receiver.

Michigan state police have been broadcasting from the Detroit station, but expect soon to build a transmitting station in Lansing, the state capital, and to have receiving sets in 13 posts, so that state-wide alarms may be sounded.

Commissioner Rutledge's prediction last spring that before long Detroit would provide every patrolman with a receiving set has since then been brought nearer to realization by a member of his own force, Sergeant William H. Burkahl. The latter, with the technical assistance of O. F. Gabbert, a radio engineer, has designed a small receiving set that may possibly revolutionize police practice. Six inches long, four inches wide and a quarter inch deep, it is designed to fit in an inner vest pocket. A network of fine wire sewed into the back of the vest forms the aerial.

According to Sergeant Burkahl, the set, when perfected, will be even smaller. The aerial will be sewed into a piece of cloth that may be attached inside the coat or vest. The three dry-cells that comprise the battery will slip into the vest pockets and the receiver will be attached to the belt, shoulder holster, or will be placed in a special pocket. The ear phone will be similar to those used by the deaf.

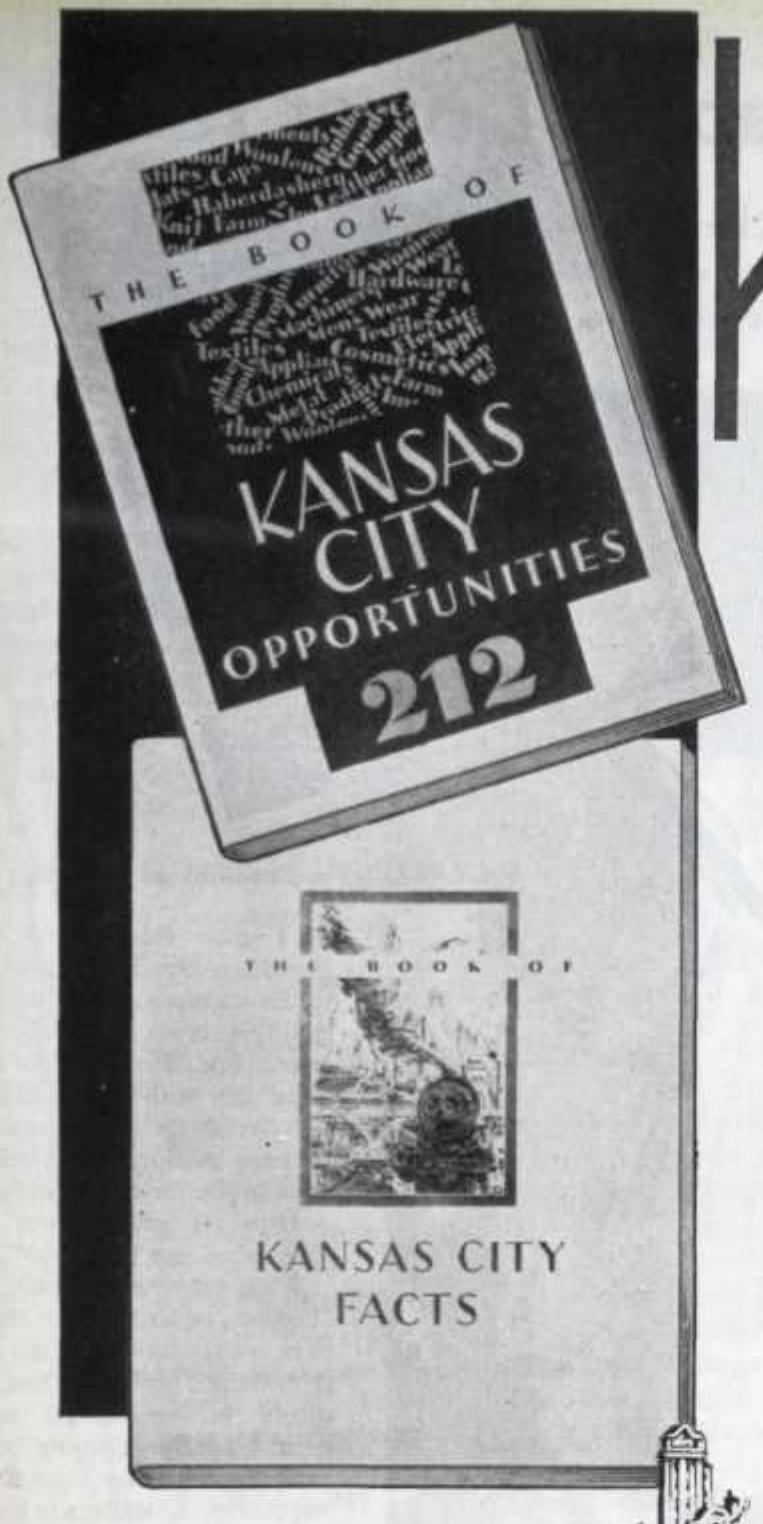
Worn under the lapel, it will be placed to the ear when a warning signal is sounded. Thus an alarm will be heard by every policeman on duty at virtually the same instant! The cost of each outfit will be less than \$15.

When a Lie is Better Than the Truth

A MAN RECEIVED a tip from a banker friend on a stock a few weeks before the Big Crash. From acting on it he lost about \$4,000. Later the banker asked him if he had bought the stock and lost. But the man fibbed and said he had not, which was good news to the banker, who would have been embarrassed to hear of a loss on stock that he had recommended.

"That banker often has information of great value," explains the man who lost. "I wouldn't want to lose him as a source of information, but I would lose him if he thought I had lost. He would say to himself, 'Well, I won't take a chance on letting him lose on my say-so again.'"

—F. C. K.



INDUSTRIAL COMMITTEE OF THE CHAMBER OF COMMERCE

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MISSOURI

Economical transportation is important. You can reach 15 million people at lower freight cost from Kansas City than from any other metropolis.



KANSAS CITY NEEDS CERTAIN NEW INDUSTRIES

TWO significant books that tell the *facts* about the market and manufacturing advantages in the Central West and Southwest are available to industrial executives: The Book of Kansas City Opportunities and The Book of Kansas City Facts.

These books are important to expanding industries particularly at this time. The Kansas City territory of more than 21 million people is soundly prosperous, with agriculture and industry *working and earning and buying*. Nowhere in the nation is prosperity more firmly entrenched.

Hundreds of millions of dollars are being expended in expansions of existing industries and in equipment for new industries, expenditures based on a thorough knowledge of and sound faith in the immediate future of this vast market.

Kansas City needs certain new industries to round out its industrial activity. It may be that *your* products are used here in large volume, yet of necessity bought from distant markets. The *facts* are available as to economy of manufacture in Kansas City . . . let these two books and any special study that may be necessary give you the true picture, without obligation.

I am interested in this industry:

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The Open Road to Lower Taxes

By MORRIS EDWARDS

Finance Department, Chamber of Commerce of the United States

ILLUSTRATIONS BY G. LOHR

A COLLEGE boy selling subscriptions to a farm journal during summer vacation approached a farmer. "You should have this paper coming into your home every week," he said.

"Why?" the farmer inquired. "Because it will help you grow more and better wheat at lower cost; because it will show you how to raise better live stock and market it more economically; because, in a dozen ways, it will enable you to become a better farmer."

"Shucks, sonny, I don't need that," the farmer replied; "why, right now, I ain't farmin' near all I know."

Had the young man been trying to sell better government at lower cost to the citizen who growls about high taxes, the reply would have been equally apt. We are not applying near all we know to the solution of our fiscal problems.

Our difficulties proceed in part from the curious point of view from which we approach them, in part from our neglect of the actual details and processes of public administration. When our thoughts turn to taxation (assuming that they do occasionally), we are usually interested only in the question of "Who shall pay the taxes?" Pursuing that path, we undertake every once in a while to shift the burdens of government from one set of taxpayers to another. Occasionally we constitute some learned gentle-

men into a commission to devise ways of reducing existing taxes by substituting others which will not hurt quite so much or at least will produce their pain elsewhere in our tender economic anatomy.

Problem of expenses

BUT under that scheme, we give relatively little attention to the questions, "Why do we require so much in the way of taxes?" and "How may we require less without impairing the services of government?" In large measure, these questions really hold the easiest, perhaps the only, answer to "Who shall pay the taxes?"

When examined critically, a "taxation problem" more often than not resolves itself into an expenditures problem. Thus, it should be approached and dealt with boldly in its true guise. Devising new taxes and reapportioning old ones to keep pace with relatively uncontrolled expenditures is much like failing to plug the leaks in a charred keg before pouring a new concoction into it.

But, just as taxes in the past have been overemphasized to the exclusion of expenditures, so, in the future, the pendulum of emphasis should not be pushed unreasonably far in the opposite direction. As acute situations of tax distress arise they should command the best thought that can be mustered on any legislative or other kind of commission of inquiry.

The important thing is not



THE problem of lowering taxes is chiefly one of beginning in the right place, says Mr. Edwards, and describes how correct approach has reduced levies in many communities. The successful way, he points out, is not first to reduce taxes but to begin by reducing expenditures



-YALE-

**SAVE
80 PER CENT**

HAVE you ever stopped to find the actual cost of moving material in—through—and out of the plant? How many men do you employ just for this work? Suppose you could cut this force in half, wouldn't that be worth while? Many industries have found it possible to reduce their handling costs as much as 80%, after they installed the Stuebing Lift Trucks and Skid Platforms. Instead of piling goods on the floor where they must be unpiled and piled four, five, six times in their progress through the plant, they are now placed once on an inexpensive skid

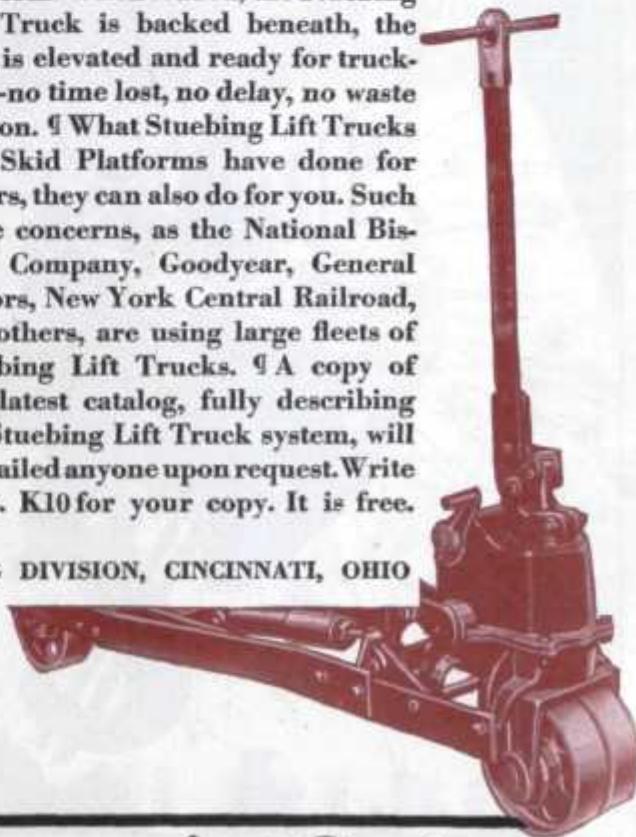
platform. When loaded, the Stuebing Lift Truck is backed beneath, the load is elevated and ready for trucking—no time lost, no delay, no waste motion. What Stuebing Lift Trucks and Skid Platforms have done for others, they can also do for you. Such large concerns, as the National Biscuit Company, Goodyear, General Motors, New York Central Railroad, and others, are using large fleets of Stuebing Lift Trucks. A copy of our latest catalog, fully describing the Stuebing Lift Truck system, will be mailed anyone upon request. Write Dept. K10 for your copy. It is free.

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to assume that such attention brings more than temporary relief of the larger problem of high, perhaps excessive, public expenditures. As a matter of fact, one commission after another is recognizing the true relation of the many elements entering into the complicated tax pattern.

It is significant that many of the commissions whose recommendations have been most extensively enacted into law are those which, starting out in a "taxing" frame of mind, ended up with reports dealing largely with "expenditures" remedies.

This is substantially a renewal of the long standing plea for greater efficiency in government. True, that particular cry has been going the rounds for years. But its long service as a slogan is neither an implication that measurable progress has not already been made nor a reflection on the soundness of "greater efficiency" as a logical course by which taxes may be reduced.

Efforts to alleviate the tax burden ultimately must retrace their steps to this starting point:

Lower taxes through the years will come only from smaller and wiser expenditures; will come only from better planning of public work, more discriminating selection of new functions of

government and full employment in public operation of the labor-saving and money-saving devices developed by private business and, in isolated instances, by government itself.

More efficiency in government

THE lowering of taxes in 1930 is analogous in some respects to the lowering of costs of industrial production since 1920. That necessity has been met not by sacrificing quality but by putting a great deal of sweat and ingenuity into the business of producing or fabricating superior articles at lower cost per unit. So, too, with government costs. If the only object were to reduce taxes simply for the sake of reducing them, there might be a wholesale lopping off of public functions and a sweeping cut in the extent of operations and the number of employees.

But few persons would acquiesce in that. It is doubtful whether any legislative body, or any state or community, could be induced to forego the better health supervision, advanced educational standards, improved highways and more intelligent methods of dealing with institutional inmates simply to save the cost of such services. Rather, the need is for efficient operations at lower

cost in every field of established governmental enterprise.

What, then, are some devices by which we may eat our cake and have it, too? Take the field of state government organization. More than a dozen states have reorganized their operations in compact administrative establishments, replacing a hundred or more overlapping boards, commissions, departments and bureaus with a dozen thoroughly integrated departments. The amount to be saved depends on the particular state. In Virginia, for example, the first year of operation under Governor Harry Flood Byrd's reorganization attained savings of nearly a million dollars.

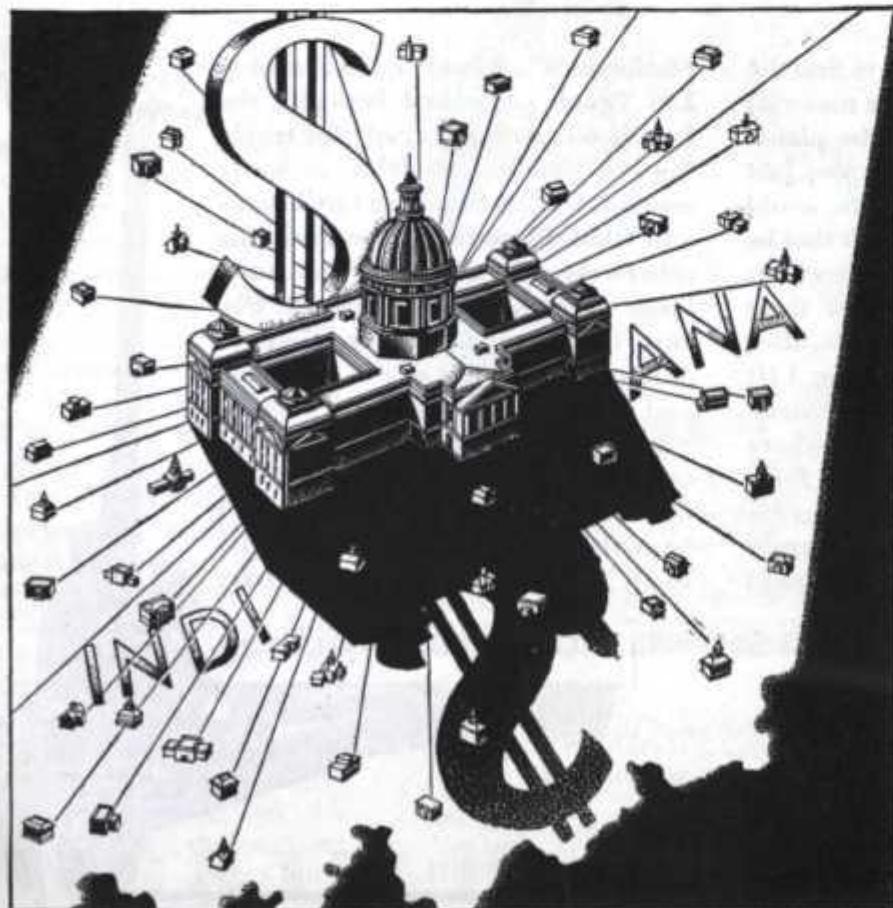
As governments go, how much is a million dollars? In Vermont, it is the entire collection of property taxes for state purposes. In Indiana, it is the total revenue from the inheritance tax. In North Dakota, it is twice as much as the yield of the state income tax. Perhaps that specific amount could not be saved in every state, but the saving could be proportionately more or less, depending on the extent and present decentralization of state governmental operations.

Of course such a device is not a substitute for progressive, administrative leadership or sound judgment. It simply eliminates unnecessary cost by giving public officers the best machinery with which to work.

Local overorganization

A SIMILAR condition of overorganization is encountered in many counties and in almost all metropolitan areas. Independent districts with taxing and borrowing powers have been piled alongside each other or on top of one another until some areas such as Chicago, Detroit, Pittsburgh, St. Louis and Philadelphia, actually have several hundred governing corporations dividing administrative authority in a fashion that wastes time and energy and is dangerously lacking in central responsibility.

How much has San Francisco saved through consolidated city-county government? What duplication of functions has Denver avoided by the same device? How much would Pittsburgh have saved if a technicality had not nullified the overwhelming majority at the recent election in favor of uniting 123 local governments in a single regional corporation—making Pittsburgh the country's fourth largest city? What improvements in service and what reductions in cost will St. Louis be able to achieve if its project for merging its city, county and numerous suburbs into



Each of Indiana's 92 counties must have a court, sheriff, auditor, recorder and complete set of county officials.

Widening the scope

of the Industrial Traffic Manager

The ever more efficient handling of cars in the Pennsylvania's great classification yards helps to ensure more and more on time dependability in freight transportation—with the result that new opportunities for increased economies are seen every day by Industrial Traffic Managers.



THE entire machinery of distribution has been revolutionized in America since the War. Improved freight service—such as is offered by the Pennsylvania's famous fleet of "Freight Limiteds"—has been utilized to cut inventories, speed turnover, perfect a whole new conception of distribution.

In the accomplishment of this revolution, Industrial Traffic Managers have played an important part. For these transportation experts are able to realize fully the *business value* of each improvement in railroad service—and to lose no time in capitalizing it.

The Pennsylvania has always closely coöperated with the Industrial Traffic Manager—furnishing him accurate schedules, on time arrival, dependable "passing reports."

The Pennsylvania believes that such dependable on time service as is offered by its own "Limiteds of the Freight Service" today can be made ever more profitable to shipper and consignee. New opportunities for economies are opening up every day . . .

And upon the Industrial Traffic Manager depends in large measure the realization of this promise for the future.

FAVORITES OF THE INDUSTRIAL TRAFFIC MANAGER

These Pennsylvania "Limiteds of the Freight Service" are noted for their on time dependability.

FLYING CLOUD
Merchandise
Buffalo to Pittsburgh

THE MASCOT
Perishable Freight
Chicago to Pittsburgh

THE PREMIER
Live Stock
Pittsburgh to Seaboard Cities

THE PURPLE EMPEROR
Perishable—Merchandise
Norfolk and Baltimore to Buffalo

THE HOME RUN
Empty Refrigerator and Tank Cars
Seaboard Cities to Chicago

THE NORTH STAR
Perishable—Merchandise
Pittsburgh to Buffalo

PENNSYLVANIA RAILROAD

Carries more passengers, hauls more freight than any other railroad in America

a single governing unit is eventually carried?

To gain the full force of this common condition of hopelessly divided authority and responsibility, try to imagine the Pennsylvania Railroad operating under an administrative scheme that gave entire independence to every divisional passenger superintendent and freight agent. What would the Pennsylvania's operating expenses, net income and dividends look like if each local potentate could say, "You don't like the way I'm running this stretch of road? The fares and freight rates I charge are wrong? Why, General Atterbury, you can go jump in the lake."

Too much government!

YET, at the last count, Chicago was transacting its business through 415 separate corporations.

Take the field of purchasing. Even though from 20 per cent to 30 per cent of public expenditures goes to procure supplies and even though a quarter century's experience has demonstrated that centralized purchasing can reduce the unit cost of supplies from 15 per cent to 20 per cent—thus reducing the total cost of government from three per cent to six per cent—centralized purchasing systems are the exception rather than the rule.

How much is six per cent? Well, in one city which has a notoriously vicious system of purchasing six per cent of its expenditures amounts to nearly \$700,000, nearly twice as much as that city receives from the state gasoline tax and state income tax combined.

Take institutional administration. A few years ago, one city and four adjacent counties in Virginia decided that five poor farms were too many. Four were discontinued and salvaged for enough to pay the cost of a new and better institution in which cost of operation per inmate per day was shaved to a fraction of its former amount. Several Kansas counties not so long ago did the same with sparsely tenanted jails. Yet, how many counties today still maintain a jail, a poor farm, a hospital, and similar institutions simply because they always have done so?

That brings the county into the picture. Our counties were organized in

mud-road and horse-and-buggy days. The size was dictated usually by a day's journey to the county seat. Hence, in Indiana, for example, we have 92 counties, with their county seats roughly an hour apart by hard road. Along with them, we have 92 each of courts, sheriffs, auditors, recorders, assessors, courthouses, treasurers, boards of commissioners, engineers, school superintendents, highway superintendents. In addition,

trying about getting more state aid or obtaining a slice out of an indirect state tax since they really put their budgets to work.

So it goes. Interoffice communication systems that replace slow-footed sons of precinct committeemen serving as messengers; photostatic recording of deeds, wills and other public documents and court records, at half the cost of legions of pensioners slowly pushing pens up and down the pages of "big books" with their every mistake in transcription a potential lawsuit; mechanical accounting systems—like banks use to make your statements of deposits and withdrawals—that save thousands or millions, depending upon the size of the unit and produce a result that is infallibly accurate.

Pay-as-you-go financing, where practicable, in lieu of bonds for public improvements; preparation of assessment rolls and tax bills and delinquent tax notices in weeks by machine instead of in months—and late, at that—by hand.

Those are some of the things we know because states or cities actually have done them successfully but which we have not yet applied generally. If our 48 states, our thousands of counties, our tens of thousands of cities and local districts—in fact, some 500,000 separate local units—simply would do all they know or all they can learn from each other they could carve out of America's 12 billion dollar bill of public expenditures a chunk that would bring a smile to the most woe-begone taxpayer.

Lower taxes require work

HOW are such improvements effected? They don't just happen. They might if given time, but the process would be slow. No, they happen when enough people learn about them and make them happen.

They happen when public officials realize that the performance of a superior job is the world's best "practical politics." If the productive industry, the retail trade, the public officials, the large and small taxpayers and the thousands of business organizations of America want these improvements and lower taxes badly enough to work and plan for them, *they will happen.*



Taxes could be reduced by lopping off public functions but no one would approve that

of course, there are 92 different sets of road and bridge specifications, 92 sets of accounts, 92 "big books" for recording public documents. Indiana, of course, is used merely as a sample of a nation-wide condition. But how much could Indiana reduce taxes if the number were reduced to 50 or even to 25, and one-half or more of their overhead eliminated?

What about budgets? Have we actually put to work all that experience has taught? True, every government has a budget, or at least an appropriation bill or ordinance which it calls one. But how many towns have really effective budget procedure, really effective budget control of expenditures, no bogus "emergencies" that sidestep such control, no habit of underestimating revenues from sources other than property taxes with the result of producing an unbudgeted surplus which may be diverted to expenditures that never would have been sanctioned if brought into the open at a public hearing on the budget? Some towns have quit wor-

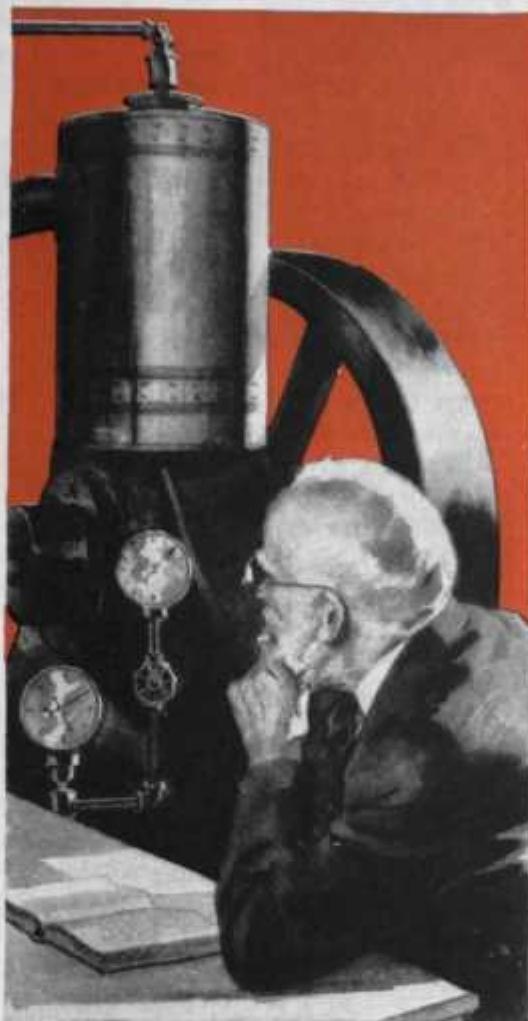
He threw away the ignition system!

... and devised
the most efficient
engine known to
modern science

Doctor Diesel seeking patiently for an engine which would yield a bigger return in power from the fuel it burned . . . turned to a phenomenon of physics long known and never before used.

Air under pressure becomes hot! The greater the pressure the greater the heat. "Why not then," mused the Doctor, "increase that pressure and its consequent heat until fuel oil injected into the cylinder would ignite and burn with a completeness and efficiency never before known in internal combustion engines?"

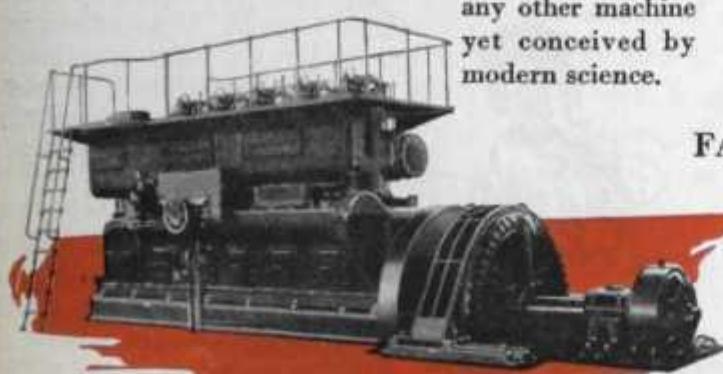
Thus, 37 years ago was born the modern Diesel Engine using low-grade, cheap fuel oil and converting a greater proportion of the fuel energy into usable power than any other machine yet conceived by modern science.



Step by step has the Diesel Engine progressed and won its way from the laboratory to an accepted source of power for industry. First in submarines, because fuel oil is compact and the Diesel uses it sparingly. Next on surface craft, because fuel oil is cheap and the Diesel gets more horsepower from the fuel it burns than any other form of power known to man.

Then the Diesel for industry! New days of clean power plants in clean communities. *And power at far less cost.* The records of over 1,750,000 horsepower of Fairbanks-Morse Diesels now in service are stories of real savings in expenditure for power. No fanciful estimates are these savings. *Responsible companies are every day purchasing Fairbanks-Morse Diesel Engines under a plan*

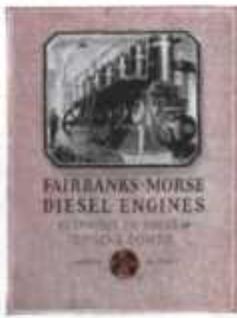
whereby the actual savings become the payments for the engine. As America's largest manufacturers of Diesel Engines, Fairbanks, Morse & Co. has a competent staff of engineers available for a survey of your power requirements. Without obligation they will *measure* your power needs and then show the saving in dollars and cents—the savings to be obtained with Diesel power.



FAIRBANKS, MORSE & CO.

900 S. Wabash Ave., Chicago
and 32 principal cities

An interesting booklet describing F-M Diesel savings in many industries will be sent to executives on request. Ask for publication No. 1010.



FAIRBANKS-MORSE

DIESEL MOTORS ENGINES PUMPS SCALES



When writing to FAIRBANKS, MORSE & CO. or its branch offices please mention NATION'S BUSINESS

OA40.40

The long, long hours



What is your watchman doing during the long hours when he is alone in your plant? Is he awake or sleeping—making his rounds or dozing in the boiler room?

If he carries a Detex Newman, the record dial will show you what he did during the night.

The Detex Newman Watchman's Clock has for years been the leader of key registering clocks. It was the first watchman's clock approved by the Underwriters' Laboratories.

It is accurate, strongly built, and completely tamper proof. The most ingenious watchman can find no way to "beat" the Newman.

Send coupon for the Newman booklet.

DETUX WATCHCLOCK CORPORATION

4153 Ravenswood Avenue, Chicago, Illinois
29 Beach St., Boston 80 Varick St., N. Y.
Room 800, 116 Marietta St., Atlanta

Manufacturing

NEWMAN • ALERT • PATROL ECO WATCHMAN'S CLOCKS

Approved by the Underwriters' Laboratories and the Factory Mutuals Laboratory

DETUX WATCHCLOCK CORP.
4153 Ravenswood Ave., Chicago, Ill.

Send me information on Detux Watchman's Clocks

Name _____

Address _____

City _____ State _____

DETUX

Representatives in all large cities in America and Abroad

When writing please mention *Nation's Business*

Lion-Tamer Publicity Is Hurting Utilities

(Continued from page 48)

and understanding, listens readily to wizards who will tell him how to get it. He has honest and important information to impart and the public is entitled to it.

Why not give it to them?

In reply, one can only ask these thinkers to remember the lion tamer and his press agent. Public sympathy and understanding is a curious and elusive thing. You can have it and not have it at the same time. For the lion tamer "problem advertising" is splendid because his problems do not bore his audience but thrill it. Hence they produce huge gate receipts on which the lion tamer fattens and becomes a more attractive lions' *hors d'oeuvre*.

But such advertising for the public utility makes the audience feel toward the utility almost as it feels toward the lion tamer. This is not what the utility hoped for or wanted.

When you acquaint the public with your handicaps, problems, dangers, risks and burdens and it begins to see and understand them, men begin to bet on how much longer you can last.

Imagine, then, the consternation of the man who has spent \$100,000 to convince the consuming public about the disasters that threaten the splendid public service his company is rendering, only to find that his advertising wizards have done such a thorough job that the betting is 2 to 1 his company doesn't last out the year!

Happy days will come for public utilities when the housewife takes her money's worth as thoroughly for granted

when she pays her electric light, gas, or telephone bill, or her street car or subway fare, as when she buys a dozen eggs from her "country woman."

She needs no special assurance that the eggs are fresh. She is not even suspicious of them. If the price goes up, the housewife makes no complaint.

She understands that eggs are bound to be cheaper in spring and summer, and dearer in fall and winter. She has heard that hens just naturally lay more eggs in summer than in winter and she accepts the fact unquestioningly.

A horse of another color

BUT LET the local gas and electric company suggest a raise of a half-cent in the price of electricity, or let the street-railway company declare that nothing but a penny's increase in fare stands between it and bankruptcy, and the ensuing roar of public indignation will make the manhole covers jump.

Explanations, facts, logic, the "problem story"? Why, the public utilities in this situation can—and do—produce arrays of facts, logic and statistics that make the casual justifications of the egg woman sound like the humble self-denunciation of a holy pilgrim to Mecca. They are overwhelming and unanswerable. But do they turn the trick? Not often. The sensible people who read the facts and statistics are pitifully few. The masses are likely to remain bored and unconvinced.

Whose fault is this? Perhaps it is the public's. Certainly one might be pardoned for thinking that people must be



Only a hardy prospector would claim to have dug up any truths about utilities even though they leer up at him beneath his very nose

stupid who can be so comfortably assured one moment that prices for eggs are all right, and so certain the next that higher prices for street-car rides are a little short of highway robbery.

But no public utility will get very far toward the goal of public understanding by calling the public stupid and letting it go at that. It seems to me that the utility must realize first, that fundamentally there is no reason why a customer shouldn't buy his public service as complacently as he buys his eggs, even if the price occasionally goes higher and, second, that no one can get the customer into that frame of mind except the utility itself.

Beyond question, the possibilities are there. Public-utility products, service and prices are certainly capable of translation into terms that will permit a more friendly understanding between producer and consumer.

The standards of purity and soundness set up by the Government for foods, medicines, clothes and furniture, are also set up for public-utility service—and in nine cases out of ten, strictly followed by the utilities. Here, at least, is one thing the public cannot be fooled about. State and federal utility regulations set the standards and, for the most part, enforce observance. In these days when the consumer's principal tests of excellence are the advertising pages, he should welcome a product with fixed standards of quality and price. He would welcome it were he to be more fully informed about this phase of it, and less frequently distracted by the public utility's story of its own troubles.

Education or merchandising?

THIS, of course, is a personal opinion. Public-utility men remain of two minds about the matter. One group stands out for continuing to "educate" the public about the industry's problems and troubles. Another group argues for concentration upon the high standard of excellence of public-utility service.

One street-railway company goes in for complaining to the public about the disastrous effect upon street-car revenues of the practice of giving pedestrians free automobile rides.

Another uses the same space to tell of the scope, convenience, comfort and economy of its transportation service.

The latter company seems to be trying to sell attractive merchandise for honest cash. The first seems to be trying to sell a ton of problems for a wagon load of sympathy. I repeat that I believe the consumer is stingier with his sympathy than with his money.

ROBERTSON STRIKES AT COSTS

ROBERTSON STRIKES AT SOME COSTLY FALLACIES ABOUT BUILDING DESIGNS

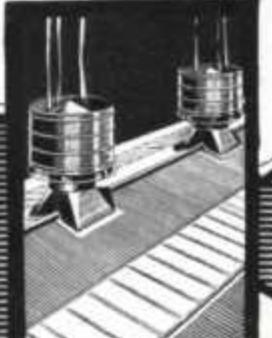
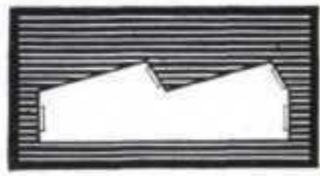
Throughout the industrial plants of the country you see five or six familiar building designs repeated again and again. A few of them are shown on the right.

Some of those designs were developed to meet one special condition of use or one special type of manufacture. Some were developed to meet another. Some of them suit their own particular work very well, and yet are unsuited for other kinds of work.

To use them intelligently and efficiently, you must know something of the fundamental principles underlying them . . . how they fit into modern methods of manufacture . . . how they effect ventilation and daylighting . . . how they suit your type of work.

The Robertson engineers have made exhaustive studies of these familiar designs. We will be glad to tell you what their findings have been. It will cost you nothing. Merely write to H. H. Robertson Co., Pittsburgh, and state what type of building you are interested in.

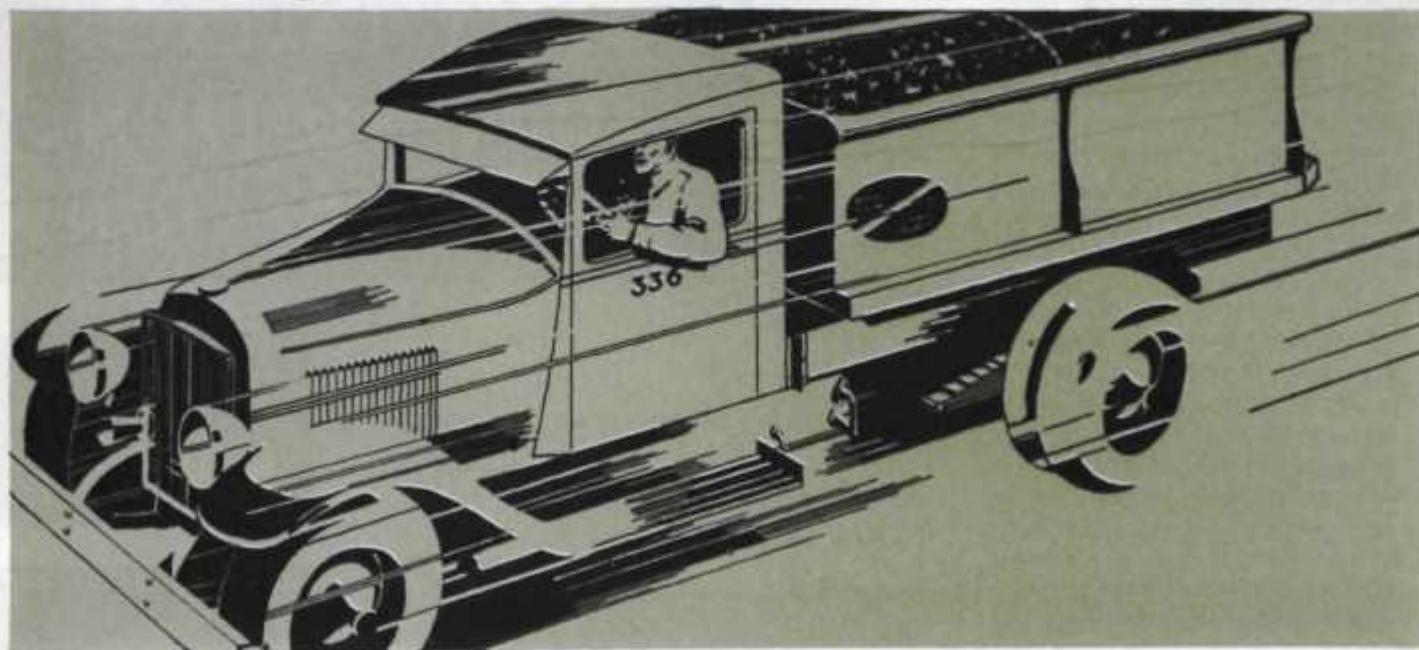
H. H. ROBERTSON CO., PITTSBURGH, PA.



ROBERTSON
WORLD WIDE
BUILDING SERVICE



Light on the Dead-load Heavy on the Pay-load



All who do heavy hauling find that to make a profit, loads must be hauled that pay as they go. Gripped in the pincers between State Highway weight limits and small profit margins, structural dead weight is the crux of the problem. Cutting this dead weight in half, Alloys of Alcoa Aluminum furnish the solution.

Exceedingly strong, weighing only $\frac{1}{3}$ as much as iron or steel, Alcoa Aluminum for truck body structures is bringing dead weight reduction and astonishing increases in pay-load. As much as 1,400 pounds extra pay-load can be gained on a standard 6 ton truck. For an increased first cost of \$400, which can be written off in 7 months, the same truck will work 29 days per year for nothing—run every 11th trip free, with no change in engine power.

And not only in trucks, but in trolley cars, on railroads—wherever transportation puts "mass in motion"—Alcoa

Aluminum is slashing structural dead-weight; transforming dead-loads into pay-loads.

This weight saving with equal strength is the reason Alcoa Aluminum is fast becoming the basic structural metal used in all transportation. But these same savings apply equally well to portable typewriters, vacuum cleaners, furniture and moving parts in all kinds of machinery—for anything that must be made light and strong.

From the research laboratories and development engineers of Aluminum Company of America, a vast fund of information is constantly being dispersed to all industry. Thousands of manufacturers accord the Aluminum Company their confidence and respect—the greatest reward of a progressive civilization.
ALUMINUM COMPANY of AMERICA,
2425 Oliver Building, PITTSBURGH, PA. Offices
in 19 Principal American Cities.

ALCOA ALUMINUM



They Put Safety on a Paying Basis

By LOUIS RESNICK

DECORATIONS BY ROBERT FOSTER

WE call this the age of efficiency and most of us are striving for greater efficiency in production, transportation or whatever our business may be. We talk of safety, too, but here is a company that reversed the order and, making "Safety First" a practical motto, speeded efficiency amazingly

Five years ago six men sat around a luncheon table in the Union League Club of New York City. They analyzed Interstate Commerce Commission statistics; they studied charts and tables; they weighed the special problems confronting this railroad and that. In the end they decided unanimously that the award for the "most outstanding accomplishments in railroad safety in the year 1924" should go to the Union Pacific System.

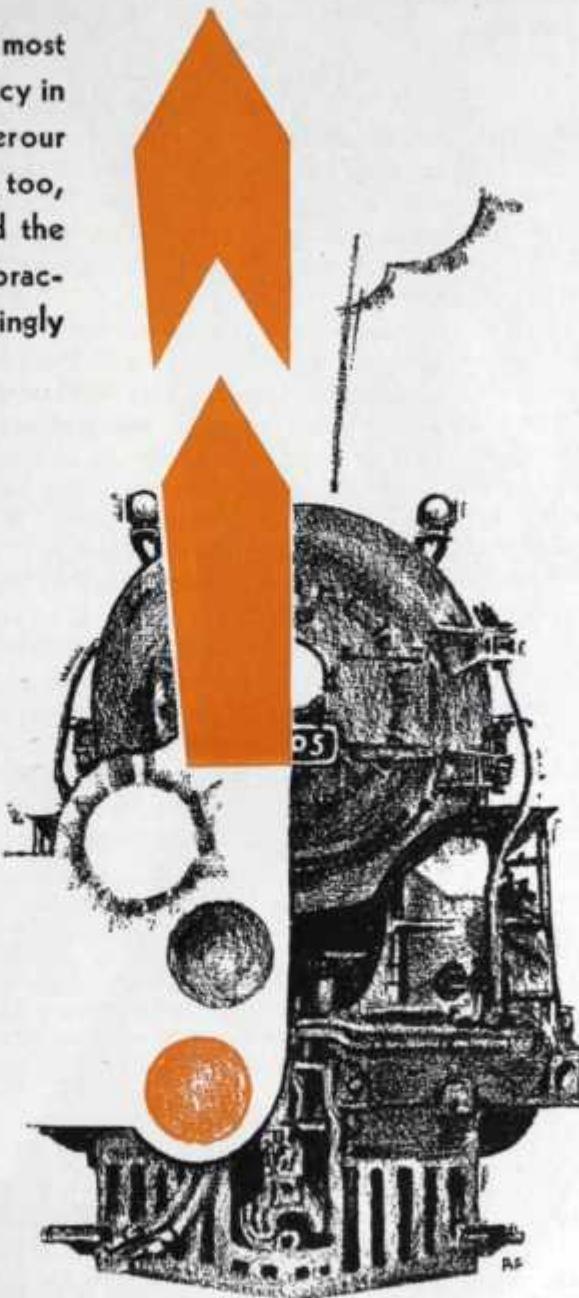
A year later these men met again and again awarded to the Union Pacific the most coveted safety prize in America, for its performance in 1925. While the highest award for the year 1926 was given to another Class One railroad, the Union Pacific received worthy mention, as its casualty rate was again lowest of all Class One railroads.

In the 1927 competition, this Award Committee presented the Union Pacific with the Harriman Medal for the third year; and in 1928, for the fourth time in five years, this road was awarded the medal for the best railroad safety work of that year.

On the Award Committee were:

R. H. Aishton, president, American Railway Association; John J. Esch, former chairman, Interstate Commerce Commission; Samuel O. Dunn, editor of Railway Age; Julius H. Parmelee, director, Bureau of Railway Economics; F. D. Underwood, former president, Erie Railroad; Arthur Williams, president, American Museum of Safety.

Everybody in railroading, in casualty insurance, or in the safety profession



E. H. Harriman installed the first automatic block signals now so common on railroads

knows that the Union Pacific has done a remarkable job in accident prevention. But only a handful of people know how this job has been done.

I have just spent a month on the Union Pacific System. I talked with Carl Gray, president of the system; with

W. M. Jeffers, operating vice president; with the general managers of the four constituent railroads, with superintendents, foremen, trainmen, yardmen, and shopmen; with men who have just started to work for the company and with men who have been with it 50 years.

During the last ten years my work with the National Safety Council, the American Museum of Safety, and the Society for the Prevention of Blindness has taken me through steel mills, coal mines, chemical plants, motor works, railways, public utilities and dozens of other concerns doing notable safety work. None of these, with the single exception of the U. S. Steel Corporation, approaches the Union Pacific in the degree to which workmen are careful and executives are responsible for

accident prevention.

This has been brought about through ten years' adherence to a simple philosophy about one man's responsibility to another.

In applying this philosophy to railroading, the Union Pacific has broken



Only public education can solve the grade crossing accident problem

traditions, set precedents, and upset theories.

The safety movement in America really started in 1912, but safety work on the Union Pacific dates back to 1898 when E. H. Harriman took hold of the road and began literally to build safety into the system from the ground up.

He ordered the first installation of the automatic block signals that most people now take for granted. A constant effort has been made ever since to make these devices 100 per cent perfect. In 1923 the Union Pacific block signals showed one false "clear" for each 5,850,000 signal movements. By 1928 the apparatus showed one false "clear" to each eight and one-half million movements.

Railroading is a hazardous business. No one knows this better than railroad men. That is why they have been among the most ardent devotees of the safety movement. Year after year progressive railroads have been reducing casualties.

By 1921, the Union Pacific's casualty rate among employees had been reduced to 12.9 per million man-hours of work. By 1928, it had been cut to 2.96 casualties per million man-hours. The first six months of 1929 show a reduction to 2.55 on the system as a whole, and to 1.68 per million man-hours of work on the main road in the system.

It seeks utmost safety

TO appreciate the record you must know that the road which ranks second has a rate two and a half times that of the U. P. The average for the 25 principal class 1 railroads is 14.18.

"A railroad's first obligation," Mr. Gray says, "is to make its property as safe physically as possible. That we have done; when any one makes a suggestion for further improvement it is carried out—after being put to the acid test of discussion among the employees themselves. They know our interest in

accident prevention is not financial.

"An employee's obligation is to protect himself and his fellows against accidental injury. That we expect our men and women to do at any cost.

"I think it may truly be said that safety is a tradition and an instinct on the Union Pacific."

"What are the returns on your safety investment aside from the fulfillment of your obligation to conserve human life?"

"More efficient operation," was the answer. "On a railroad you cannot draw the line between general operation and accident prevention. They go hand in hand. We know that the safe way is the efficient and economical way."

Weeks after this conversation, a thousand miles away in the U. P. shops at Pocatello, I learned that overhauling a locomotive, which a few years ago took 43 days, is now done in 15 days. This, in a shop which for almost two decades has been driven to greater and still greater reduction in accidents.

Among the most interesting and perhaps most effective of the U. P.'s rules is that which makes it the duty of any employee to caution any other man seen doing or about to do an unsafe thing. The road has set another precedent by including in the book of safety rules, a copy of which is given to every employee, the following statement:

Any person who is careless of his own safety or that of others will not be allowed to remain in the service. Each employee will be held responsible for the violation of rules and must report violations by others. The fact that one employee violates the rules will not be accepted as an excuse for violation of the rules by others.

The promulgation of severe safety rules is not new, but strict enforcement of them is both new and rare.

The Union Pacific even enforces safety rules that are contrary to all railroad traditions. Its rule prohibiting men from stepping on to the footboard of a moving switch engine illustrates this.

This habit, ingrained in switchmen

and yardmen since the earliest days of railroading, means the loss of a job if done more than once on the U. P. The rule has been enforced strictly for seven years.

Every workman and every supervisory officer knows that any accident involving even minor injury will be thoroughly investigated and the exact circumstances reported to the general manager. They know that the general manager personally will attend hearings on all serious accidents, and that if carelessness is clearly shown, the guilty person will be held responsible.

For example, two carmen were coupling the air and steam hose between cars, without first having hung up the blue flag signal to keep the cars from being moved. These cars were coupled into, and a serious injury resulted. Investigation revealed that the foreman had seen these men at work a few minutes before the accident and had not cautioned them about the danger. The foreman was discharged, though he had been with the company many years.

Encouraging safety plans

ACCIDENT investigations take place immediately and the details are broadcast over the system in "casualty circulars."

The severe treatment of careless employees is matched by the procedure with those mindful of their own safety and that of others. When a man makes a safety suggestion, if it involves a matter of any importance, he is sent to the meeting of the safety committee to see what happens to his idea and, if necessary, to argue for it.

The road's executives believe in the value of formal recognition of safety accomplishment. When a foreman has to his credit an entire year in which

none of his men was injured, he receives a neatly engraved card "For one year's meritorious service in accident prevention," signed by his superintendent.

When his crew has come through two years without an accident, the foreman gets a card "For two years' meritorious service," signed by the general superintendent.

A three years' safety record brings a card with the signa-



Blowing whistles at crossings costs railroads \$5,000 a day

When you want the benefit of wide experience

In addition to making machines for wrapping the conventional type package, we are constantly being called upon to provide machines for wrapping products which are odd in shape, delicate in structure, or which have other characteristics presenting difficult problems.

We have learned not only how to overcome the difficulties presented by the nature of the product, but also how to attain the utmost economy of labor, material and floor-space.

In dealing with the Package Machinery Company you will find a sympathetic understanding of your merchandising problems as related to the package—experience has taught us how to create packages that sell.

When you have a wrapping or packaging problem, bring it to us.

PACKAGE MACHINERY COMPANY

Springfield, Massachusetts
New York Chicago Los Angeles
London: *Baker Perkins, Ltd.*

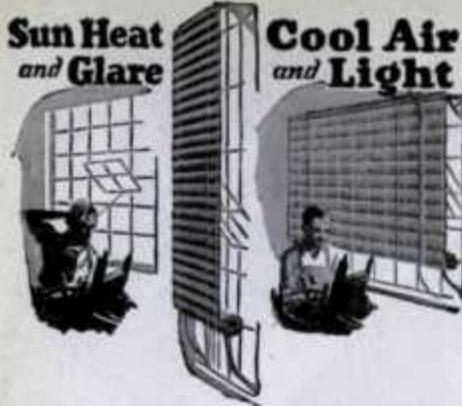


A mere handful of the hundreds of different products which are wrapped on our machines.



PACKAGE MACHINERY COMPANY

Over 150 Million Packages per day are wrapped on our Machines



RA-TOX Shades keep out sun-glare and heat, but admit from 30% to 40% more light and air than ordinary shades. They reduce room temperature from 10 to 20 degrees—ventilate without drafts—allow for independent operation of center-swing ventilators in steel sash. Made of attractively stained wood strips woven parallel; they are practically wear-proof.

Send measurements for complete information and estimate.

Hough Shade Corporation

(Industrial Division)

154 N. La Salle Street Chicago Illinois

RA-TOX

OFFSET WOOD FABRIC
SHADES for INDUSTRIAL SASH

HOUGH SHADE CORPORATION
154 N. La Salle St., Chicago, Ill.

Send complete RA-TOX details at once.

Name _____
Address _____ City _____
State _____ Individual _____
 Steel Sash Wood Sash

A CAREFUL JOB

... at lower cost



IDEAL Power Mowers mean smooth, close-shaven grass. The two Roller Type mowers cut a 22- and 30-inch swath. (They roll out bumps as they cut.) The Wheel Type (for heavy or billy going) cuts a 20- and 25-inch swath. With it, fewer workmen are needed. Maintenance and running costs are low on these strong and simple motors. Write for illustrated details.

IDEAL POWER LAWN MOWER CO.
450 Kalamazoo Street, Lansing, Mich.

BRANCHES
413 West Chicago Avenue, Chicago, Illinois
273 Boylston Street, Brookline, Mass.
237 Lafayette Street, New York City, N. Y.
161 Vester Street, Ferndale (Detroit), Mich.
Dealers in all principal cities.

IDEAL

POWER LAWN MOWERS

ture of the general manager. A four year safety record is recognized by a card signed by the vice president in charge of operation. And a five year record brings a card signed by the president of the system.

On the day I interviewed Carl Gray, he was suffering from writer's cramp, because he had just signed 800 cards for five years' meritorious service in accident prevention.

Pride in a safety record is just as keen among the higher executives. The superintendent or division officer will point to the gold button in his lapel and the number of years of meritorious safety work indicated on it.

Safety on a competitive basis

THE Union Pacific also believes in safety contests. There are competitions between departments, plants, divisions, and between the four roads constituting the system. Toward the end of the year the competition for first, second and third place becomes crucial.

The Union Pacific's safety work begins even before employees are engaged. Every employee must pass a physical examination and a literacy and intelligence test before he is put on the pay roll. Then he is given his personal copy of the safety rules of his department, which he must learn. Before he actually goes to work, he receives a personal talk on safety from the employing officer.

The Union Pacific's accomplishment in accident prevention is more remarkable because of the cosmopolitan character of its forces. The road operates over some of the bleakest waste land of America as well as through some of the richest valleys. It is difficult to keep white men and their families for long periods in desert areas, and so the U. P. employs representatives of nearly every race in the world.

These men are loyal, hard workers, and often highly skilled. A considerable number of the 800 meritorious safety service cards signed by President Gray last year went to representatives of all these races.

One problem that has baffled the Union Pacific just as it has every railroad is the grade crossing automobile accident. The ultimate solution, Mr. Gray believes, lies not alone in the elimination of grade crossings, but in wider education of the public.

It would cost almost as much to eliminate the grade crossings, Mr. Gray believes, as it did to build the railroads. There are approximately a quarter million grade crossings. A conservative estimate of \$75,000 each, for elevating

either the automobile road or the railroad track, produces the staggering total of 19 billion dollars.

Cooperation between railroads and counties, municipalities and states in relocating highways to close up hazardous or unnecessary grade crossings, is helping to solve the problem. Billboards, trees, earth banks, buildings and other obstructions to the view can be removed. Engineers are being trained to blow their whistles and ring the bells in a way to reach the ears of auto drivers most effectively. It costs the railroads \$5,000 a day to sound these warnings.

The train crews, particularly on the U. P., are continually keyed up to alertness for safety by surprise tests which every supervisory official is required to report on each month. As part of these surprise tests, torpedo, fusee, or flag signals are placed on the track unknown to train and enginemen. Block signals are set at "stop" or "caution." Signal lamps are extinguished to see if their absence is discovered. Automatic train control devices are tripped off.

Trainmen do not regard these tests as spying or tale bearing, but rather as a boat crew regards fire drill or lifeboat drill.

A little scene in the Bankers Club in lower Manhattan one day several years ago makes the entire U. P. accomplishment even more understandable. The late Judge Elbert H. Gary, as vice president of the Museum of Safety, after an eloquent address handed to Mr. Gray the Harriman gold medal for "the most outstanding accomplishment in railroad safety." Around the table were 30 other leaders of commerce, industry and government. In the corner of the room were representatives of the press. It was a great occasion for a speech, and all Mr. Gray said was:

They all cooperate

"IT IS with a great deal of humility that I receive for our company this medal, because I have such a keen realization of the multitude of fellows at home who have really won it. I wish they could be here so that you could see them and so that we could convey to you their interest in this humanitarian work, and something of the spirit, morale, and wholesome cooperation which exists among officers and employees alike.

"It is our men who are really entitled to this medal—the men who have planned and had experience in all of these matters, some of them many years before I became connected with the company."

INTERNATIONAL

Ready Now . . .

**A 3-TON
6-CYLINDER SPEED TRUCK**



Here is the new 3-ton 6-cylinder International Speed Truck—Model A-5—now on view at all of the 159 Company-owned International Branches in the United States.

Sponsored by twenty-six years of automotive achievement, this latest member of the International line of trucks is definitely designed to provide the widest range of modern hauling service ever embodied in one truck.

The chassis itself, ready alike for high-speed transport and for the severe punishment of dump truck service, is being hailed as an outstanding advancement in automotive engineer-

Brief Specifications of Model A-5

Wheelbases: 156, 190 or 210 inches.
Engine: International design and manufacture; 6-cylinder, valve-in-head, 7-bearing crankshaft, 7-bearing cam-shaft, removable cylinders; 3-point mounting with rubber-cushioned rear supports; pressure lubrication.

Clutch: Single plate, with built-in vibration damper.

Transmission: 5 speeds forward, 1 reverse, direct in high; one control lever.

Final Drive: Spiral bevel gear type
Frame: Pressed-steel channel type, with deep middle section.

Spring: Semi-elliptic, front and rear. Auxiliary springs, quarter-elliptic.

Tires: 34 x 7 front, 34 x 7 dual rear, pneumatic, mounted on all-steel spoke-type wheels.

Brakes: Service, 4-wheel mechanical, internal expanding. Emergency, internal expanding on rear.

ing. Be sure to read the specifications given at the left.

And Model A-5 as shown in the illustration, is as attractive in appearance as it is powerful in performance.

Trim in silhouette and so obviously in tune with the times, it is a truck of which any owner may be proud.

Favor the new 3-ton International Speed Truck with an exacting examination at the nearest International Branch, then ask for a demonstration of its prowess on your own job. Doing so will not place you under the slightest obligation.

INTERNATIONAL HARVESTER COMPANY

606 S. Michigan Ave.

OF AMERICA
(INCORPORATED)

Chicago, Illinois

INTERNATIONAL TRUCKS

What the Chains Did to Us

By a SMALL TOWN BANKER

DECORATIONS BY IRIS JOHNSON

A SMALL TOWN bank is a financial clinic for its community, and the banker is general consultant to most of the inhabitants of town and country round about. Stress and strain of lean years, credit extension in years of crop failure, unfair competition, sales methods, buying advantages—all these problems come to the banker. They are brought to him by merchant, baker, butcher, implement dealer and builder.

In 1920 my town had 5,000 people and in most ways was typical of a middle western town of that size. I am sure, at some time or other, I had diagnosed and helped prescribe for nine-tenths of all the business activities conducted here. Often a cure was effected, sometimes through building up, sometimes through amputation.

Of course there were always some chronic invalids, and once in a great while a business died. For years I had felt the pulses of the retailers and wholesalers, and knew pretty well which ones were making money, which ones were just breaking even. And I knew too, those hopeless ones who hung on year after year wondering when creditors would close them out.

At that time we had four general dry-goods stores, one shop specializing in ladies' wear, three hardware stores, four drug stores and nine regular grocery stores, besides one or two small stocks offered for sale in somebody's front

room. All of these were independent merchants. All the businesses were owned and operated by residents of our town, who mostly owned their own homes.

About 75 per cent of the merchants



WE have heard a great deal of theory about what happens when chain competition comes into a town but theory and fact are frequently not in too close agreement. We asked a small town banker, who must remain anonymous, to tell us exactly what happened when the chains came to his town. This is what he said

owned their store buildings also.

Then, all at once, with the rest of this part of the West, we began to grow. This was not a sudden change or event, but just normal expansion. Once past the 5,000 mark in population, our growth accelerated, and inevitably, I suppose, the chain stores came.

Curse or blessing?

I CAN still remember the consternation and dismay among a majority of the merchants when the first branch of a national merchandizing concern opened for business. The bank lobby was as busy as a detention hospital during an epidemic.

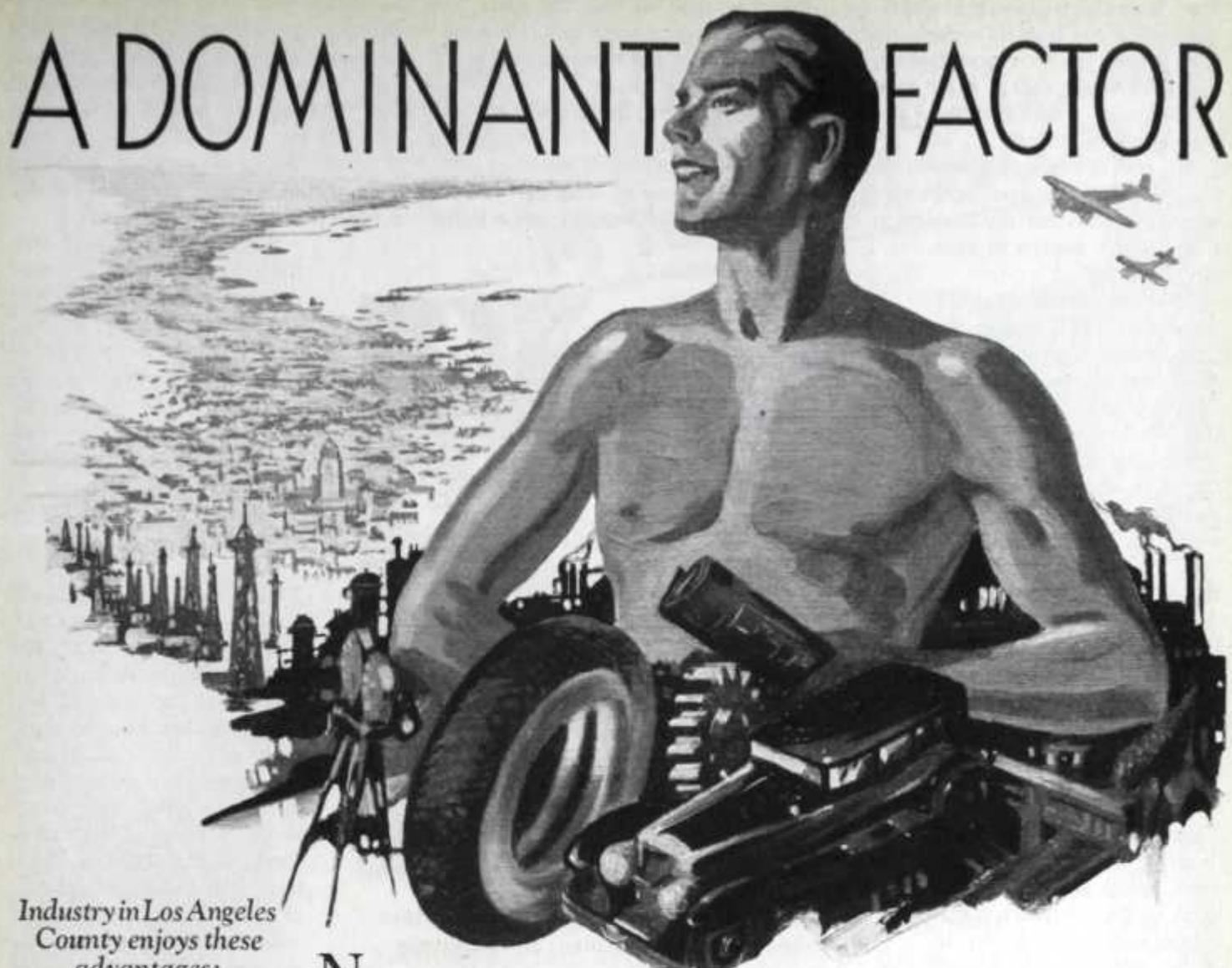
Here was a terrific ulcer starting to corrupt the fairness of our civic body. What was the cure? Some desperate remedy must be undertaken immediately. Let everybody get together and see that this fungus was cut off in its youth! If they once got started, the town would go chain—and those big fellows must see at once that this wasn't a chain-store town!

I remember one meek man who suggested that "the big fellows" wouldn't be coming in if the town did not have a future.

"It means we're growing," he said, "that we have a future. We're prosperous, or they wouldn't locate here. Let's just dig in, ourselves, and get some of the coming prosperity."

He was snarled at.

"Sounds pretty," said the drygoods



Industry in Los Angeles County enjoys these advantages:

Year 'round equable climate, providing ideal living conditions and high working efficiency, low building and maintenance costs.

Contented Open-Shop Labor.

Largest local market and most efficient distributing center in the entire West.

Unexcelled transportation, giving favorable access to the markets of the Pacific Coast, to Atlantic and Gulf States and to the undeveloped export markets of the Far East.

Abundant industrial power, natural gas and water at low rates.

NATURE'S generosity has had much to do with the tremendous growth of population and industry in Los Angeles County. But there is another vital contributing factor. It is the spirit and vigor of Youth...the vibrant enthusiasm for achievement, inspired by opportunity and environment. It is observed and commented on by business analysts and leaders of industry. It is virile...real...tangible.

It has made Los Angeles County the biggest concentrated market on the Pacific Coast. It has given to Los Angeles in 1929 the highest bank clearings of any city on the Western Slope. It has increased industrial production 163 percent

and harbor tonnage 6,000 percent in ten years.

It resulted last year in the purchase, in 11 Southern California counties, of 48 percent of all new automobiles sold in the three Coast states. It has caused Los Angeles district to be chosen during the past 24 months as the location for West Coast factories by Goodrich, Firestone, Willys-Overland, Willard Storage Battery, Pittsburgh Plate Glass, Procter & Gamble, Crane, and National Lead Companies.

It is a factor to be reckoned with for it cannot be denied its objective. It is the fundamental of success...it is the spirit of Los Angeles County.

Industrial

For specific surveys and detailed information regarding industrial opportunities, address Industrial Department, Los Angeles Chamber of Commerce.

LOS ANGELES COUNTY

man. It was his business that was threatened. "But you wait till a chain restaurant comes in here and takes your business. You'll change your tune."

The mild restaurant man grew a little spark in his eye.

"If one of those fellows—strangers to all the folks I've lived here with most of my life—can take my business away, then I don't deserve to have any business!"

That was back in 1920. Now it is 1930, and in the past ten years we have doubled our population. From 5,000 we have grown to 10,000. We have chain stores in practically every branch of the retail trade, and we have had them long enough to be able to tell pretty well what they have done to our community; what has been the total result of chain-store competition, how it has affected the independent merchants and the town as a whole.

I knew pretty well what the merchants were doing ten years ago, and I know what they are doing now, after nearly ten years of chain store competition. The results, in some respects, might have been expected, but in some other ways, they have been a surprise.

First the merchants. Of the four dry-goods merchants in business here in 1920, two were profiting, one just fairly and the other really substantially. One store just about broke even, and the other went in the hole a little every year, but as it was paying salaries to three members of the family that owned it, it was earning them a living, and they had managed to take care of the deficit.

No great shifts in retailing

THE SPECIALTY SHOP had lost money from the start. In the past five years, this shop has failed. Of the two who were making money, one merchant has sold out, not to a national chain, but to one of a group of stores in this territory. He had been trying to sell out for a number of years, but had not been able, before, to get his price.

The other has moved into a bigger, better building and is making more money than he ever did. The business that was supporting a family but losing a little each year, has pulled out of the hole, and for the last three years, for

the first time in the 20 years I've watched, shows a slight profit. The merchant who was just breaking even is still just breaking even.

What happened in the drygoods business is fairly typical of what happened in the other branches of the retail trade. Of the nine grocers, only one sold out and went out of business; none failed.



For 20 years I have diagnosed and prescribed for the business ills of my community

We now have 15 down town grocery stores, and 13 of them are independent.

Chain grocers are not coming in very fast because local grocers are able now to meet their prices, and in our town, anyway, neighborliness and the personal element weigh in the balance. The same proportion holds true in the other businesses that have chain competition. One or two sell out, once in a while one fails, but every merchant who has stayed in business and who was making money before the chains came is making more money now.

Do I mean that chain-store competition has made no difference to this town? Not at all. On the contrary, it has revolutionized the retail trade. It has weeded out some of the weak brothers, but they are the ones who would not get into the parade. The others figured times had changed, and changed with them.

Ten years ago, no store in this town had a price mark on any of its articles; the merchants were afraid their competitors would find out something about their business. Of course there often was a suspicion among customers that

the prices fluctuated with the buyer's ability-to-pay. When the chains began to shout the prices of things right out loud, the others had to do it, and they had to shout, as nearly as possible, prices as low or lower.

To do this all of them had to revise their methods, and they did it in a variety of ways.

Some stores closed out their bookkeeping departments and became cash stores; pooled on delivery service; two drygoods merchants joined buying pools. They all overhauled their stocks, cut out dead merchandise and bought oftener and in smaller quantities.

Turnover and cash

THEY used to buy enough stuff to run them a year and I can remember the same bolt of goods being on the shelf year after year—offered for sale. Now they count on turnover.

A few of the grocers have turned to cash and carry stores. A few who have kept their original type of store have added groceteria stocks in a building near-by. But most of them say the customers who really count still telephone in their orders, want their groceries delivered, and settle their accounts once a month.

"Perhaps we have lost some of the basket shoppers," said one grocer, "but they were not the profitable accounts anyway. The people who buy the fancy brands and the expensive stuff are the telephone shoppers, now as always. Those new fellows catch the basket shoppers and quite a little of the new out-of-town trade."

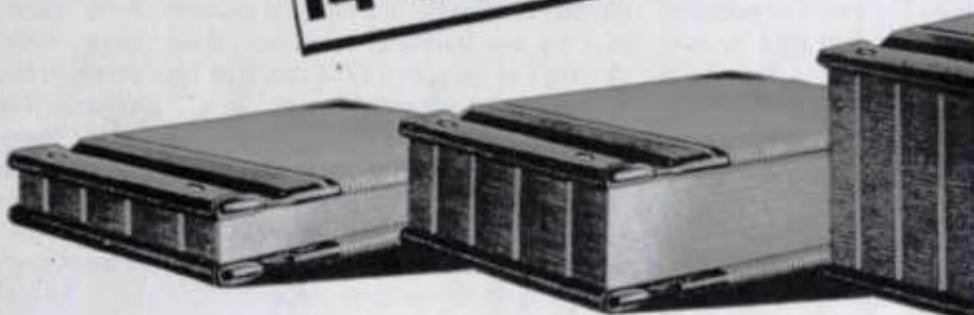
The new out-of-town trade! That is one of the big factors in the rapid growth of our town. There are fairly definite figures to show that the very first chain store in here extended our trade territory, and succeeding chains have helped push the boundaries still farther.

Advertising and the new low prices did it. Chain stores not only put their price marks on the shelves and on articles in windows but they advertised the prices in the newspapers!

Ten years ago, the grocers, and most of the other merchants, carried neat announcements, like professional cards, in the papers. Now they spread out displays that knock you in the eye. They

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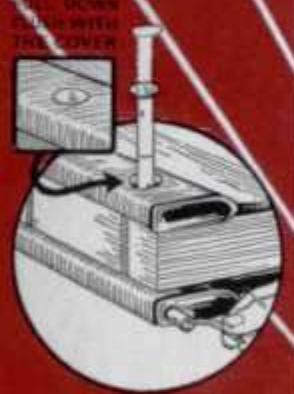
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all do. As one result the newspapers have extended and enlarged, tremendously increased their circulation and go out to all the towns in the district.

The manager of our one daily paper says that they have ten times more store advertising than they used to have. Ten years ago, the paper was delivered in this town only, and its circulation was about 2,000. Now the circulation is more than 5,000, the paper is delivered in seven other towns and goes by mail to many more. Of course this helps bring people to the stores and movies.

Watched and waited

WHEN the chains first came to our town, I caught, to a slight extent, the infection of fear that fevered our merchants. But as the only thing we could do was wait and see, that's what we have done.

The first thing noticeable the chains started was this intensive advertising. Prices were lowered, but here, there has been no price war. The chains offer leaders, of course, and we notice that people buy the bargains but are not tempted to do the rest of their buying in the same store. They like to shop around.

With the increased out-of-town trading, we noticed new accounts opening up at the bank.

A local bank account was a convenience the new buyers wanted. The movies and the restaurants were among the first businesses to reflect the new prosperity. A number of them reacted by improving and enlarging, and advertising, until they themselves were inducements to people for miles around.

Are the chain stores good accounts? Our bank is sometimes asked that question. The answer is the same as it is to a number of other queries regarding this new type of store, "It depends on the chain."

Some of the branches here leave a sizable balance with us all the time. They never borrow, of course, and ask for few accommodations. Most of their checks are local to this district and easily cleared. A few of the chain stores maintain a balance small enough to be unprofitable to us. They demand daily drafts to eastern banks, and are other-

wise more trouble than they are worth. But those are in the minority. Most of the chain-store accounts with us are what I'd call satisfactory accounts.

In this town there has been no radical price cutting. There has been no great rush of old trade to the new stores. One merchant who has been in business for 30 years, is in his same old building which once stood alone in that side of the block. Now he is under the shadow of a big new building, the ground floor of which is occupied by a chain in his own line of merchandise.

"Doesn't he take your customers?" I asked him. "Why don't you move?"

"Say, if I had to pay that fellow \$10,000 to get him to stay there, I'd do it! I was a little out of the shoppers' regular beat before that store came in there. Now he's put me right in the middle of one of the most active shopping districts in town. Of course I own my building, so the landlord can't raise my rent!"

"You get a lot of his customers?"

"I don't know whether they are his or not. They certainly come up to take a look at the big store and get the bargains. But they like to spread out a

lot. I can't compete with them."

This merchant had learned no doubt that the chain stores had done much to increase trade territory, and to turn mail-order catalog buying to buying here.

"It's those fellows who sent away for stuff who come in to patronize the chains to a big extent. While they're here, they shop around and spend money with the rest of us. You'd be surprised to know how much the mail-order business from the town itself has dropped off. If those houses want business from us, now, they'll have to put in a branch here, and pay rent, anyway."

It is true that the chain stores in our town do not own their buildings or pay taxes on real estate, but they pay a good rent, with long leases, and that helps the landlord pay his taxes, and then some. Local people are employed as clerks and bookkeepers. One chain-store manager even bought some lots here and got all ready to build a house, but he was transferred. They did build, though, in the town where they went.

In a town this size, there is one serious thing against the chains, and until that is revised, the independent merchants will always feel more or less resentment. Our town depends on its business men for its progressive program. Every community activity is supported out of the pockets of the people. The chamber of commerce is not only financed this way, but many of the worth-while things of the town are accomplished only through the efforts and money and time given freely by the citizens, cars loaned, donations made, every man helping. We wouldn't get anywhere without that kind of cooperation.

But chain stores will not cooperate. They do not assist the community with money, or time, or brains. Of all the chains here now, only one company is an exception to that statement.

Our citizens feel that it is not fair for all their profits to be sent back east to gild the lily.

Some of it ought to help with the parks, gardens and playgrounds that our town is providing for its people.

No, we are not afraid of their competition out here, and we admit they have taught us a number of things about buying and selling. But we never can feel completely friendly toward chain stores until they learn to cooperate in community upbuilding.



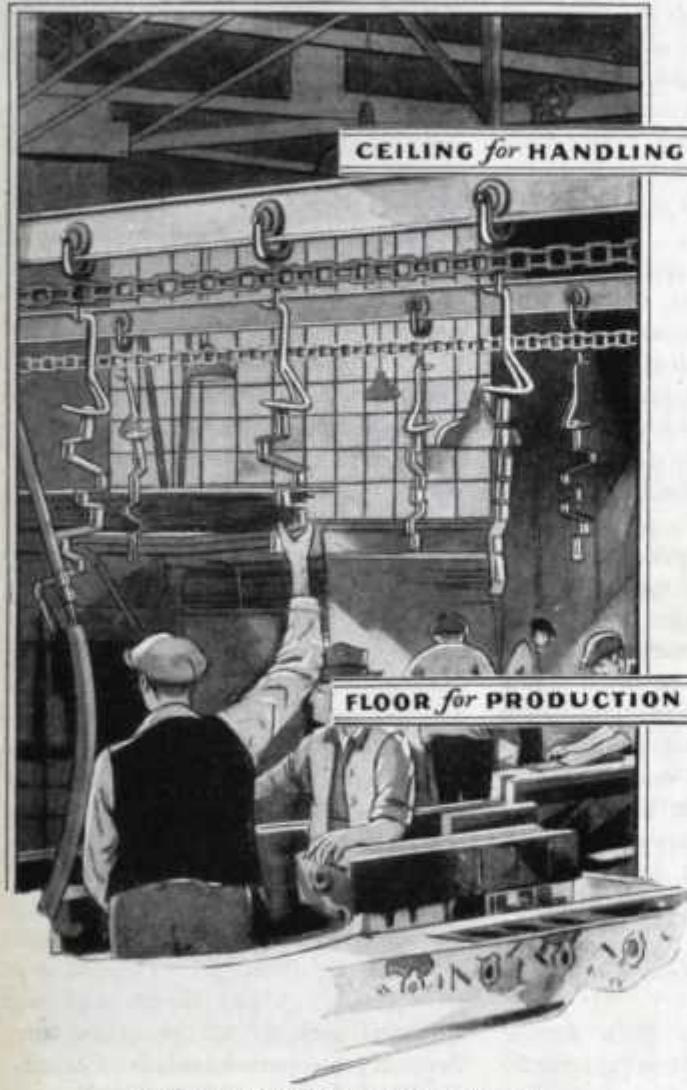
I can remember the consternation and dismay of merchants when the first chain came

little, too. I try to arrange my window display so that it doesn't compete, but sort of complements, if you know what I mean."

"And you don't find that they ask for credit from you and pay cash to your chain competitor?"

"We-1-1, perhaps I've had to revise my credit business quite a lot. But gee, that

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When writing please mention Nation's Business

Something is Wrong With Department Stores

(Continued from page 22)

operates with as few employees as are necessary to do the work.

What are the advantages of organizing merchandise along personnel lines? In the first place the production of each unit can be studied and almost accurately determined so that business can be done on a minimum reserve stock. This naturally increases the turnover on each unit and thus on the whole.

Second, if the volume of each unit is known, an adequate stock can be kept so that there is a supply on hand at all times. Thus each unit will create a repeat business, very much like that of a salesman who visits the same territory repeatedly.

Furthermore, these organized units can be controlled, more economically handled and more effectively advertised and promoted. The cost of doing business can be radically reduced by more rapid turnover and lower handling costs. Thus a lower selling price to the customer and a larger profit to the store will accrue.

Unfortunately the systematized department is rare. Instead we find departments carrying 150 styles of shoes at 20 different prices. However, it is interesting to note that these departments enjoy no larger business than those carrying only 20 styles at three prices and, frequently, at only one price. This bears out the contention that quantity of business does not depend on quantity of assortments, but does definitely depend on accuracy of assortments.

More sales with fewer styles

AN excellent example of a similar condition came to my attention recently in a department selling toys. Investigation showed that there were 385 different prices in the department and more than 9,000 different articles, a large percentage of which duplicated each other.

There were 68 styles of doll carriages at many different prices. These styles subsequently were cut down to nine and the prices were reduced to four. As a result, business increased 70 per cent.

That is not surprising. Of course, any customer entering the old department would be sure to find approximately what was wanted in an assortment of 9,000 different things. But when

the articles were selected after studying consumer wants, the customer was able to select what was wanted from a much smaller assortment.

As a matter of fact, experience showed that the article in question would be more likely to be in stock in a concentrated assortment than in a haphazard one. This not only resulted in increased sales but lower operating costs and markdown costs. This buying to meet every possible contingency is at the root of the hopeless situation that exists in many stores.

The buyer's exacting job

IT follows that, if small, concentrated assortments are the proper thing, they must be selected on known facts and not by guess work. The buyer must know what the public wants, he must forecast fairly accurately what the public is about to want and he must know definitely what the public is losing interest in. This knowledge is being gained to an ever increasing extent by accurately observing what people are wearing, by keeping records of what people are interested in and by tabulating these results.

Research in fashion movements is teaching us that fashion is not the will-o'-the-wisp that it used to be considered. Fashion prognostication is not an exact science, and it is questionable whether it ever will be. But it is a fact that we know more about it now than we used to, and there is no reason to be pessimistic about the future. It naturally follows that the future buyer will have to be a capable person. He must be well educated and trained along the lines necessary to operate his job efficiently. He must have a well-developed sense of organization.

Every store will find it necessary to have a well-defined policy on merchandise organization just as they now have such a policy in regard to their personnel.

Only by having such a policy and by obtaining capable people to carry it out can the store owner reverse the trend of decreasing profits and mounting expenses. Not until then can he get an adequate return on his investment, and give the public the lower prices to which it is entitled.



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FROM DALLAS—THE CENTER



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About 2,000 national or sectional concerns maintain sales, distribution or manufacturing branches in Dallas—with a larger number of concerns serving all or a greater part of the Southwest from DALLAS than from any three other cities. And the speed with which DALLAS is becoming truly Southwestern Headquarters to American Business is greatly accelerated by the fact that—

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Executives are invited to send for set of seven reports presenting a complete survey of the Southwest Market. Write on your business letterhead—or mail the coupon. All inquiries held strictly confidential.

Dallas

The Southwestern Headquarters to American Business—2,000 national and sectional concerns maintain branches in DALLAS.

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1501 Chamber of Commerce Bldg., Dallas.

Please send free your set of seven reports presenting a complete survey of the Southwest market, to:

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Company _____

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A MAN experienced in dealing with the construction industry has said,

"If I were to build a house, a big apartment, a store, a factory or what not, I would keep in mind these two points:

"First, the honest, efficient men in every walk of life outnumber the dishonest ones. By this token I can pick contractors who will do a good job on any work I may have to do.

"Second, a man takes more pride in his work and is less likely to skimp if he is making a profit rather than taking a loss."

These two points, although absurdly simple in relation to their weight, are so fundamental that they may serve an owner as a complete guide in the selection of a contractor to handle his construction.

Unfortunately they are seldom used. The fetish of getting a bargain in construction still persists and a strange bedfellow is the fear that the construction industry is a huge, iniquitous ring which will grasp the advantage no matter how shrewd the prospective owner may be himself. Because of these mistaken views, the man who plans to build a factory, home, or other project is likely to center his attention on only one factor, price. The danger this practice holds for both owner and contractor may be illustrated in the same incident.

ALBERT DORNE



Construction Bargains

By E. J. Brunner

Secretary, Builders and Traders Exchange, Detroit

ILLUSTRATIONS BY ALBERT DORNE

A nationally known industrial firm let a contract for a power house to a low bidding general contractor for about \$500,000. This company, which we shall call the Robinson Company, did the job well. It took pains to see that, through competent engineers, architect's representatives and others, the industrial firm's executives were constantly informed about the work and kept from all worry. The job was completed on time and the hand of felicitation was unreserved on all sides.

Imagine their amazement

THEN THE industrial company unexpectedly determined to build another plant, an exact duplicate of the first. The foundation conditions would be identical, the new site would be served by rail facilities to haul materials, the plant

would be started at the same season the other was started. Wage rates would be the same, the supply of men the same, material prices the same. The firm's engineers carefully checked all these facts.

Obviously the same contractor was the logical one to hire to construct this plant. There seemed no need for competitive bids.

Accordingly the proposition was made to Robinson. The disconcerting answer was that the contractor could not put up a second plant for less than \$550,000. This was an addition of ten per cent and negotiations rapidly reached a point where a mediator was sent to the executive by the contractor.

"What I propose to do, if you will permit me," the mediator told the industrial firm's executives, "is to put Robinson's cards on the table, face up so you may see for yourself not only that the com-



- A COMPANY, having built a new plant, decided to erect another just like it. It paid the contractor ten percent more for the duplicate than for the first one. The man who let the contract believed this was good judgment. Do you agree with him?

are Expensive

pany is not trying to take advantage of you but that it would wreck itself if it took No. Two at the same figure as No. One.

"I'll show you the contractor's books. I'll show you every record made on No. One. When the company bid on that job it cut every figure to the bone, and those boys know how to figure. They wanted that plant.

"All the bidders knew you were planning more construction. The Robinson Company knew that some of the bids would be mighty low and figured you would take the low bidder—which you did.

Robinson got the job

"THE Robinson Company lost \$40,000 on that job. It can't take that loss on another job now although it would give almost anything to get this new plant."

It turned out that the Robinson Company built power house No. Two on a guaranteed cost, fixed fee basis with bonus for saving on guaranteed cost. The guaranteed cost was \$500,000. Anything in cost above that, the contractor

guaranteed to pay. The fee for all services was ten per cent of the guaranteed cost and there was provision for a 50-50 splitting of all saving on the \$500,000 cost.

The responsible executive was thoroughly satisfied with his action although some in his organization asserted that he could have gotten the second plant just as cheaply or even more cheaply than the first one.

"Those contractors' game," said one skeptical individual with the title comptroller, "was to get in good with us on the first job. They thought it would be some time before we built again and that they would be able to say that labor cost more or that this and that cost more. They didn't expect we'd build two plants exactly alike and they thought they could bluff us into about \$600,000 on the second job."

The comptroller had very possibly put his finger on essential truth. It was evident that the Robinson Company was put in an embarrassing situation when offered project No. Two. It was a bitter moment when the company had to reveal that \$40,000 loss.

The industrial firm's executive arrived at his decision through such reasoning as this:

"Power plant No. One was a satisfactory job, done at less than the engineer's carefully estimated costs. The company's own engineers after supervision on No. One would not promise to duplicate that plant for \$500,000. The designing architect's cost estimate was also more

than the low bid received.

"The Robinson Company's bid on which they lost \$40,000 was only \$10,000 under the second low bid and comparison of the two bidders indicated that the Robinson Company should be able to operate as economically as the competitor.

"The bid was not an evidence of good business in one sense; yet if it had been only \$10,000.01 higher the chance would have gone to the other firm. Certainly it was not reprehensible to show how well the company could build. Neither was it reprehensible in the company to hope to get future work at a profit.

Competition not always good

"POWER house No. Two might be put out for competitive bids. Most likely a figure close to \$500,000 could be obtained. Obviously that would mean some other contractor facing great odds and possibly being forced to let his bonding company finish the work. Why risk trying to get something for nothing? Why expect that the next contractor would be so eager to sell his services? Costly de-



Right at the architect's many owners crack their chances of getting what they want

lays, bad feeling, a thousand chances for annoyance and for inferior construction, make the risk of a too low bid outweigh the alleged savings."

Where the danger lurked

THIS incident might have been far less fortunate for all parties concerned. The industrial company might have hired a contractor for plant No. One, who, knowing he was taking a loss on the job, would not have been eager to do the work well.

The Robinson Company was fortunate in dealing with an executive who had the perspective to award the second contract at an advanced cost. There are many instances where owners in awarding second contracts take no thought that some contractor has proved his mettle on one of their jobs, and they resort to competitive bidding every time they build.

The obvious reason for this is the desire to get a price. They forget that buying a construction project is a far more complex procedure than buying anything else and that, accordingly, quality should be the first consideration.

The man who buys land can see it. He can scuff his shoe on it and can determine or at least guess at its economic zone.

The man who buys an automobile knows there are many like it running around in actual competition with cars of other makes. The reputation of a car

is born out of competition of quality as well as competition of price.

What's a building

BUT THE man who buys a building really buys a plan or exact design, materials, labor, skilled and unskilled, superintendence, inspection and management. He pays for those and for a profit and gets a completed structure. He cannot order his building from a manufacturer of national reputation with a few exceptions in special types. It may have in it many different materials of national reputation but the completed product will bear no trade-mark. It will be just as good and not a whit better than the work

put into it by the designers and the contractors.

Yet owners too frequently forget about the chances of competition on quality and select their builders by the standards of price alone. Let us see how it works.

The confiding owner first explains his wants to an architect. Right there—at the architect—many owners crack their chances of getting exactly what they want.

The architect's office performs real work in drawing preliminary plans and they are submitted to the owner.

"That's something like it," the owner

often says. "What is your estimate?"

The architect tells him and he tells the architect it is out of the question.

"I told you at the start that \$50,000 was the limit," the owner says. "You think this will cost \$65,000."

"Yes," says the architect, "done right, I think it will. But I can take this room off and change this doodad and make it \$50,000."

"I don't want anything taken off," the owner complains. "I don't want any changes but I want you to get it for me for \$50,000 and in case you can't, we'll simply forget it."

Such an owner is heading straight for a \$50,000 job that will simulate a \$65,000 job—and that is never satisfactory.

Some architects may save such an owner from himself. Some may let him forget the job or go where he pleases with it. But architects are human and business is business. Some will not choose to forget it and will get the work done for \$50,000.

Confidence in the architect is the first essential in a satisfactory building operation. He is the owner's agent. He, through placing of contracts, inspection and supervision—through his skill and organization if he is really competent—can give the owner the reality he is aiming at.

But why have confidence in an architect and then make him swallow all his feelings of art and ethics and go about the sad task of getting a building at less than cost?

Some pointers on architects

OF COURSE there is the contractor to be considered. The architect will have contractors bid on the job if the owner



If the owner insists, some architects will give him a \$50,000 job that simulates a \$65,000 job—but it won't be satisfactory

The Organizing Hand



*prepares men
for your needs*

To meet your industrial piping needs the Organizing Hand must provide *men*. Facilities alone, essential as they are, are not enough. Our great plant facilities, east, west, north, south, and branches strung across the continent to fabricate and distribute, still could not fully meet the needs of concerns like yours, here and in Canada.

The Organizing Hand must provide men who *know your problems* and are able to solve them.

How are such men prepared?

By having them grow up to today's difficult tasks through solving a multitude of yesterday's practical problems. They mastered those tasks under the guidance of older men whose experience had been gained in the same practical way. This progressive experience has been handed down in Grinnell Company through more than half a century.

These men know what tomorrow's demands will be, and so are preparing for them in laboratories, machine shops and foundries. To see them preparing now for 1935 is to understand clearly how they have acquired the practical grasp and technical knowledge which you and a nation of other industrial leaders must have now.

These men will bring to you greater economy, cheaper maintenance and higher quality in these seven major fields of industrial piping:

1. **Thermolier** the copper unit heater. A better and cheaper means of heating many types of industrial and commercial buildings.
2. **Thermoflex Radiator Traps** with the famous Hydron bellows, insuring perfect operation of your steam radiators.
3. **Pipe Fabrication.** Pipe bends, welded headers and the Triple XXX line for super power work.
4. **Cast Iron Pipe Fittings** perfectly threaded, accurately machined and rigidly inspected.
5. **Pipe Hangers** featuring easy adjustability after the piping is up.
6. **Humidification Equipment.** Complete systems employing the unique automatic control, Amco; furnished through American Moistening Company, a subsidiary.
7. **Automatic Sprinkler Systems** with the famous Quartz bulb head. The world's largest sprinkler manufacturer and contractor.

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Executive Offices: Providence, R. I.

If this is good enough



why not this?

BUT THE open cash drawer is *not* good enough today. The cash register is used because it's better.

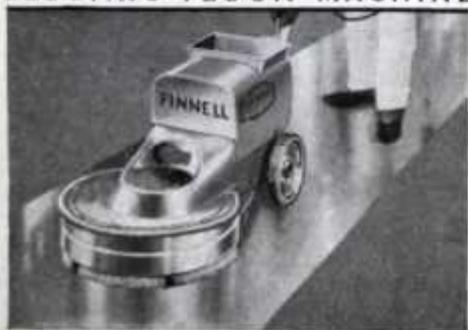
Why put up with slipshod methods *anywhere*? The FINNELL Electric Scrubber-Polisher is incomparably better and faster than hand methods of scrubbing and polishing floors. And it pays its way in time and labor saved.

Eight models—enabling selection to fit your needs. For factories, stores, schools, hospitals, all business buildings or institutions. Also a small model for homes.

Write for Booklet, stating whether interested in models for business or home. Address FINNELL SYSTEM, Inc., 403 East Street, Elkhart, Ind., or 130 Sparks Street, Ottawa, Canada. Branches in London and Stockholm.

IT WAXES
IT POLISHES
IT SCRUBS

FINNELL
ELECTRIC FLOOR MACHINE



wants it done that way as most jobs are.

If the architect is worthy of confidence he probably will be finicky about what contractors he wants to bid. Naturally he wants only reliable contractors to bid on a project because any other kind of contractor will not be of any great help to his professional reputation.

In fact, if the owner is picking an architect out of the air as it were—if he is really seeking information about architects and weighing it in the balance, the way to proceed is to find out the architect's attitude on the subject of contractors.

Find out if he believes contractors should have a profit or holds the attitude that they will get it anyhow. Find out if he successfully and diplomatically gets his way, listening to and weighing the other fellow's good ideas, or if he is dominated and cowed.

Find out if he favors taking bids from any proved reliable contractors, from only a few of his own selection or from any Tom, Dick or Harry, regardless of qualifications. Find out if he will try to get a lower price, use pressure or any other tactics to get a contractor to reduce his bid once it is in.

Find out if he uses the Standard Contract Document prepared by the American Institute of Architects or prepares contracts after his own dictates and possibly stipulates that in any case of dispute between himself and a contractor, he is to be the sole arbiter.

Some architects will take contracts themselves but the practice is frowned upon by the majority and by the most experienced builders. Letting on a separate contract basis is preferred by some architects. Under this method the architect takes bids—bids for excavating, ma-

sonry, carpentry, plastering, plumbing—instead of letting a general contract.

Under this plan the architect becomes the general coordinator of the job dealing directly with the different contractors. It is easily seen that this is a close approach to letting the architect take the contract himself on a percentage basis for he must be paid in some way or another for the time he spends on job organization, coordination, management and buying. There is the important difference, however, that under this plan the architect, having no contract to build the structure, acts as the owner's agent and spends the owner's money in dealing with all the subcontractors.

Whatever merit there might be in having the contracts let separately would lie in the expected savings of the profits of a general contractor. But if no general contractor is in charge to coordinate operations of the many crafts, to buy, to plan and to be the general of the job someone else must perform this function and must be paid for it.

In proceeding under a general contract, there is a responsible head for the execution of the whole operation. If anything goes wrong one knows where to put the blame. A general contractor possessing organization, skill and experience, should be able to save enough over ill-coordinated methods and amateur buying to pay his profit.

But, it is necessary to know that this general contractor has this organization, skill and experience, and the man who makes the lowest bid his only measurement in selecting his contractor is overlooking these things.

To award a contract to the lowest bidder regardless of that bidder's qualifications is a foolish act. Yet it is being done.

Muscle Shoals and Obsolescence

SWIFT is the march of progress today, declares the *Professional Engineer*, so swift indeed that on every hand we see machinery and equipment scrapped, structures razed, and processes discarded as being obsolete that only a few years ago were considered the *ne plus ultra* in their respective fields.

One of the most striking examples of forced obsolescence due to this amazingly rapid march of progress, the editorial continues,

is afforded in the nitrogen fixation industry. Scarcely 12 years ago the Federal Government began the development of

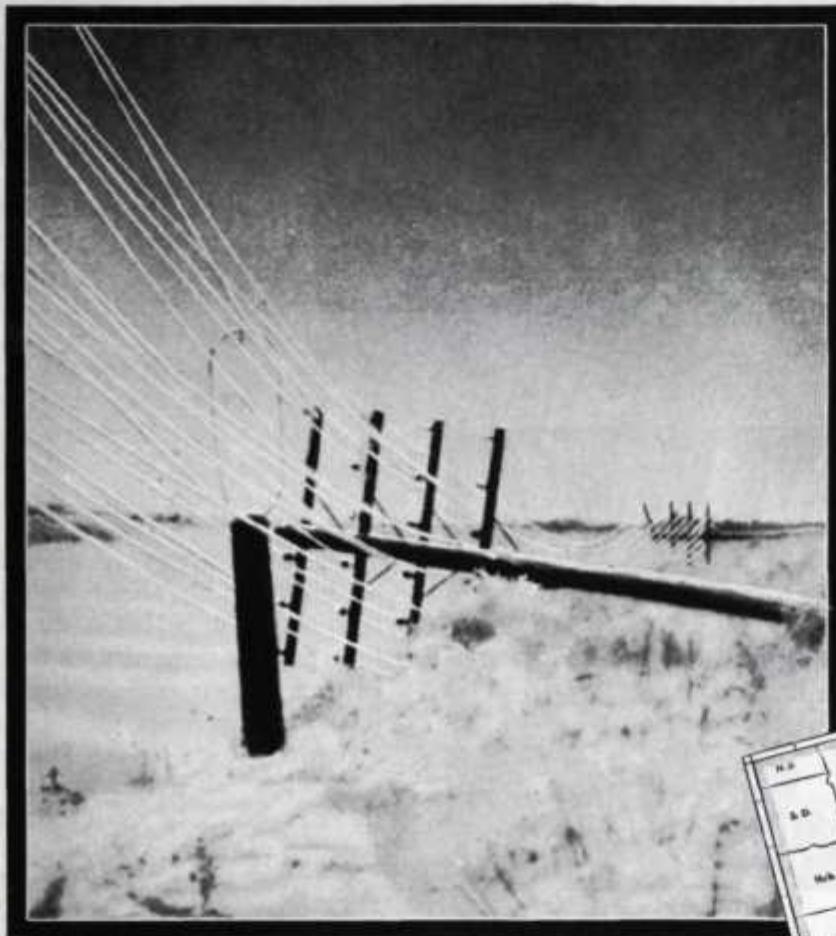
Muscle Shoals to furnish power for nitrate plants. These plants were equipped with the latest and most up-to-date processes.

While these plants have never been operated, being kept in stand-by condition for the past ten years, they are today obsolete because of the improvements in the nitrogen fixation industry since the government plants were built. Experts estimate that it would cost from \$10,000,000 to \$12,000,000 to modernize these plants in order to compete today in the market with Canadian and European plants.

What is happening in the nitrogen fixation industry is also happening in many other fields, which shows that we are living in the golden age of industrial progress.

Postal Telegraph

outwits ICE, SLEET, STORMS



"Gale lashing south—ten miles of wires down on direct route between New York and Georgia! . . . Zero weather freezing Middle West—Ice-coated wires snap in a dozen places between Chicago and Dallas!"

WITHOUT an instant's delay when an interruption occurs, Postal Telegraph's new multiple-route emergency system swings into swift and efficient action.

New York messages for Atlanta territory race around the storm via Chicago and then straight to Georgia's capital. And telegrams for Dallas, key city to the southwest, speed to Atlanta, then to New Orleans and north to Dallas.

For, to the already complete network of Postal Telegraph that binds the country together, we have added increased facilities through special detoured routes using New York, Chicago, Dallas, New Orleans and Atlanta as key cities.

This gives Postal Telegraph patrons fast, accurate service that is practically

trouble-proof . . . interruption-free. Even the stormiest weather . . . the maddest rush of business, cannot stop the swift, smooth flow of Postal telegrams.

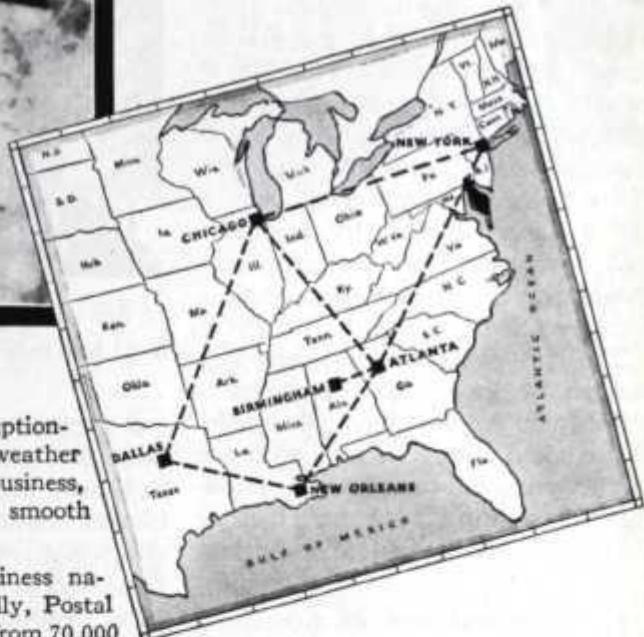
Serving American business nationally and internationally, Postal Telegraph messages flash from 70,000 points in the United States . . . from 8,000 points in Canada.

Over Commercial Cables and All America Cables your message races along the sea floor of the Atlantic and Pacific . . . to Europe, Asia, the Orient and the nations of Central and South America.

*When this happens . . .
Emergency Routes give you
Still Greater Insurance
against Costly Interruption*

Wires may be down . . . but Postal Telegraph gives you uninterrupted service through its new tie-in circuits (see dotted lines on map).

Note that each of the key cities—New York, Chicago (feeding the northwest), Dallas (feeding the southwest), Atlanta, New Orleans and Birmingham can be reached by three different routes. Just one more evidence of Postal Telegraph's ever expanding service.



And Mackay Radio Company provides a lightning link between ship and shore.

Markets of the world—homes of the world . . . are at the tips of every Postal operator's fingers . . . and at your swift command. Use Postal Telegraph on your next telegram. Swift—courteous—accurate.

Postal Telegraph



Commercial
Cables

All America
Cables

Mackay
Radio

Insuring Good Will Against Fire

By ROBERT S. MOULTON

Technical Secretary, National Fire Protection Association

DID YOU EVER think of good will as a combustible commodity, one that might be destroyed by a fire in your plant? It is an unusual view but a common-sense one as Mr. Moulton demonstrates in this discussion of the need for fire prevention to protect intangible assets. You don't have to have a fire yourself to suffer fire loss

OWADAYS no one doubts the value of fire prevention in general or questions the desirability of reducing the national fire waste. But the individual manufacturing plant or mercantile establishment, with a building of "fire-proof" construction, fire extinguishing appliances installed, and the property "fully covered by insurance," may find it difficult to see why, from a cold dollars-and-cents viewpoint, it should give any special attention to fire prevention.

The hard-boiled business man is inclined to discount fire-prevention publicity as fire-insurance propaganda, and to spend money for fire prevention only where he can see a resulting profitable reduction in his insurance costs or where he is required to do so by law.

The real cost of fire

DISREGARDING the humanitarian and public-service aspects of fire prevention, and viewing the matter solely from the narrow viewpoint of self-interest, fire-insurance costs and fire-prevention laws are by no means the only factors to be considered. Various other factors, frequently overlooked by the business executive, have an important bearing on fire prevention.

The first step in any analysis of the fire problem is an inventory of the potential cost, direct and indirect, of a fire that completely destroys the building or a group of buildings at any one location. Construction, fire protection



If fire destroys a \$100,000 plant, the total loss may be as much as \$200,000

and previous experience may lead to a belief that such a complete burn-out is well nigh impossible. It may be extremely improbable, but the fire record shows that nothing is 100 per cent fire-proof and that complete burn-outs do occur frequently as the result of various unexpected combinations of circumstances.

The relative probability of such a disaster is another matter, to be considered later. Assuming that a complete burn-out is possible, the amount of the potential loss should be listed under the following headings:

1. Buildings.
2. Equipment and machinery.
3. Stock.
4. Records, including such items as records of accounts receivable, customers lists, contracts, and engineering drawings.
5. Fixed charges, including interest on capital investment and taxes, which

continue despite destruction of the physical property.

6. Profits lost during the period required for replacing the property.
7. Personnel. Pay roll while the property is out of commission, or the cost of rebuilding personnel.
8. Good will. Permanent loss of part or all of the business, cancellation of contracts. (Customers will go elsewhere when their usual source of supply is cut off and many will never return.)

The value of the first three items on this list will be already on record, but it should be noted that even these tangible items may not be "fully covered by insurance" because of the discrepancy between present values and replacement costs. The other items, less tangible, must be estimated, taking into account the time required to resume operations.

It is well worth while to make a careful estimate of these factors, though it is recognized that such an estimate, particularly the good-will item, can be only a rough approximation. The possible indirect losses from fire eventually may be registered in the financial statement, and though they can be evaluated only approximately, these figures are just as important as



Previous experience may lead to a belief that a burn-out is impossible

TRAVEL TO THE PROVING GROUNDS OF CUTLER-HAMMER EXPERIENCE

Giving Ships and Trains their turn...with SAFETY



IN Modern Motor Control, Industry has found the cure for human bungling... the way to stop the human element from limiting the savings of electric power. It does it by having Motor Control set up sequences of operation so that electric motors cannot be started out of turn... by fixing cycles of travel on motor-driven equipment which cannot be changed.

One example, taken from thousands, in factories, newspaper plants, office build-

ings, everywhere... is the Newark Bay Draw Bridge of the Central Railroad of New Jersey... the highest lift bridge in the World.

The Cutler-Hammer Motor Control, directing the motors which raise the bridge, is interlocked with the railroad block signals. The motors will not start until all block signals register "clear," making it impossible to raise the bridge if a train is approaching. The bridge obeys either of two bridge-tenders but misunderstanding between the two cannot cause accidents. Neither can an inexperienced bridge-tender damage the bridge by raising it "through the top." Cutler-Hammer Limit Switches stop the motors, set the brakes when the maximum height is reached.

Every day Cutler-Hammer Engineers permanently solve the human-element problem. They are insuring and enhancing the savings from electric power in every industry... sometimes with espe-

cially designed Motor Control... but more often with apparatus included in the Cutler-Hammer Line of standardized Motor Control.

Cutler-Hammer standardized Motor Control is so widely preferred because it incorporates features which could only result from thirty years' experience in solving Industry's unusual Motor Control problems. Built upon this special engineering for which Cutler-Hammer is famous, it is only natural that Cutler-Hammer standardized Motor Control meets every common requirement... with reserve to spare. It saves steps and time... guards men and equipment against accidents. And by protecting motors so accurately against overloads it permits heavier loads to be handled with safety. Cutler-Hammer standardized Motor Control safeguards the earnings of motor-driven machines on which it is standard equipment... and of motors with which it is recommended to you by far-seeing motor builders, or by electrical wholesalers.

CUTLER-HAMMER, Inc.

Pioneer Manufacturers of Electric Control Apparatus
1231 St. Paul Avenue MILWAUKEE, WIS.



The Final Result of This Pioneering

Cutler-Hammer standardized Motor Control has features which only pioneer engineering could produce—features which only experience covering all problems of electric motor application could perfect. Thus, Cutler-Hammer "ready-to-use" equipment meets every common requirement with reserve to spare—provides for all usual motor applications the same superior performance, safety and economy for which Cutler-Hammer specially engineered Motor Control has been outstanding throughout the three decades of Industry's electrification.

CUTLER HAMMER

The Control Equipment Good Electric Motors Deserve

tangible property values as a basis for decisions on expenditures for fire safety. The intangible factors in fact may be even more important than the tangible.

Rates reflect the hazard

THE average business man near-sightedly looks at fire prevention solely in relation to fire-insurance costs. Fire-insurance rates do reflect the hazard; the frame fire trap pays a rate several times that of the modern fire-resistive building, and a mattress factory a higher rate than a warehouse for the storage of iron castings.

Rates are recognized as a general index of physical fire hazard. If property owners use this index correctly, well and good; but where it is applied incompletely correct results cannot be expected.

Consider the hypothetical case of a building and contents valued at \$100,000. Suppose the annual insurance premium is \$1,500. Assume that installation of automatic sprinklers would reduce the premium to \$500. The saving of \$1,000 a year would make an expenditure of \$5,000 for the installation of sprinklers and their water supply a good investment.

But suppose that the owner decides that the fire risk is small (even without sprinklers) and concludes to insure for only a part of the total value, paying an insurance premium of only \$500, and assuming the balance of the risk himself.

At the same proportionate reduction as previously assumed, the saving in insurance premium as the result of the installation of sprinklers would now be \$267, which is a meager return on the \$5,000 investment.

The building is the same, and the



Fire insurance gives us protection but some of the risk remains

reduction in fire risk the same in the two cases. Is not the installation of sprinklers equally desirable then?

Obviously it is, and in the second case, if the owner has set up an insurance reserve, annually crediting a special fund with an amount determined on the basis of his fire-insurance rate, the saving resulting from installation of automatic sprinklers will be equally apparent.

Indirect loss may be great

TO carry the example further, suppose that destruction of this \$100,000 property by fire would cause an indirect loss of \$100,000 due to interruption of production and consequent cancellation of contracts and permanent loss of business. In that case the total risk is \$200,000. It is fallacious to judge expenditures for fire protection solely on the basis of the savings in insurance costs if only \$100,000 worth of insurance is carried.

Large corporations such as the United States Steel Corporation, the du Pont company, and the Baltimore and Ohio

Railroad practice fire prevention intensively. They have found that consistent attention to fire prevention, with regular departments organized for fire prevention and protection, periodic inspection, fire safety features incorporated in the design of all new buildings and processes, and above all a willingness to spend money for fire protection wherever a worth-while reduction in hazard can be obtained, has paid big dividends.

Generally speaking, no business, except the occasional tottering organization that would be glad to sell out to the insurance companies, is actually fully covered by fire insurance. No matter how complete the insurance coverage, (and today in-

surance can be obtained to cover almost every possible contingency) there are always some indirect and intangible items of potential loss, the risk of which must be borne on a self-insurance basis.

And in proportion to the amount of this risk, special attention to fire prevention is just as essential as it is for the concerns that carry all their own insurance. Fire prevention is actually not so limited in its importance and value, when its humanitarian and broad economic aspects are considered.

It will be recognized that when property includes a number of widely separated units in different cities or so remote from each other that no two of them can be involved in a single fire, the problem is modified, and the contingent losses may be reduced. In such a case the loss of a single unit may entail a minimum of indirect loss



It is a gamble when fire will come, but the danger is always present

because business can be handled through other units. A certain amount of indirect loss may, however, always be anticipated.

Even where fire-insurance rates are regarded merely as an index of hazard, and decisions are made on this basis rather than on the basis of the total amount of premiums, many executives reject specific recommendations for the installation of fire-protection equipment on the ground that little or no reduction in rates will result. This is a mistake. Although fire-insurance rates may be accepted as a general index of relative hazard, they must necessarily be general in scope, and cannot be expected to cover small details and special hazards peculiar to a given building in the same manner as the recommendations of a competent fire-prevention engineer who has made a special study of that particular building.

The loss of a single unit of a manufacturing plant may in some cases halt



Loss of a small unit of a plant may halt production of the whole factory

NEW YORK LIFE INSURANCE CO.

51 MADISON AVENUE, NEW YORK CITY

(INCORPORATED UNDER THE LAWS OF NEW YORK)

A MUTUAL ORGANIZATION FOUNDED IN 1845

EIGHTY-FIFTH ANNUAL STATEMENT

TO THE POLICY-HOLDERS:

I wonder if you know how important you with other Policy-holders have collectively become in the economic life of the world. You think of your life insurance as an important factor in your plans for yourself and your families but I doubt whether you yet comprehend what you are actually doing for the world at large.

I am speaking to you now as a part of the 70,000,000 people insured in all companies in the United States and Canada. I am speaking to you as part owner of the \$19,000,000,000 which has actually been assembled for the protection of beneficiaries under the \$110,000,000,000 of coverage which now exists. Never before in the history of the world have individuals voluntarily, privately and co-operatively pledged such a sum for mutual protection or for any purpose.

This coverage exceeds the total resources of all the banks in the United States and Canada, including savings banks, by about \$34,000,000,000. It is equal to all the resources of all our Foundations and Endowments for Education and Research, multiplied many times. Our educational, medical, scientific and charitable institutions are in the hands of trustees whose powers are wisely limited by the terms of the instruments on which the trusts rest. The Trustees of these foundations seldom have any very wide discretion as to how funds under their control shall be distributed. Neither have we.

Outstanding life insurance (\$110,000,000,000) is the greatest trust ever created. It, too, is managed by Trustees. The Trustees are the Directors of the various companies with whom continuously sit certain familiar figures. They are Life, Death, Disability, Necessity and Old Age.

Death has heretofore been a terrible figure because life was not organized against him. Now life is so organized. Death will ultimately come to all of us. Nobody doubts that and nobody can change it. The terror of Death (I am not now considering any religious question) lies in his cruel, remorseless and uncertain stroke. In that has been his victory.

Life Insurance faces Death not as a Terror but as a fact and deals with him just as it deals with bonds or real estate mortgages.

Let me show you how vital those \$110,000,000,000 are. Back of these pledged billions lie three great forces.

First—the \$19,000,000,000 in cash and securities in hand;

Second—the seventy million people who have contracted, directly or indirectly, to pay future premiums;

Third—the power of compound interest.

Together they make that \$110,000,000,000 the most vital and useful force in all sociology.

Now try to visualize what is coming. Outstanding Insurance will become \$200,000,000,000, \$300,000,000, possibly much more, but it will always have those three great forces, the first two correspondingly increased, behind it. Because of its peculiar relation to the weaknesses and needs of human life it is and always will be worth more than a like sum in cash. To illustrate—

Death sits with this great Board of Trustees and Death still strikes but, in your case, not as of old. Life also sits with the Board and by quickly translating individual productive power into cash it despoils Death of his old and faithful servitor, Poverty.

Disability, crueler than Death, also sits with that Board and demands and receives stipulated sums when the breadwinner fails and becomes a burden.

Necessity and Old Age also sit with that Board and are covered by the underlying instruments.

All these benefits are specified in the Great Deed of Trust: the policies in force.

Some of you, most I hope, will agree when I say that Life Insurance has come to be the most important beneficial enterprise in the manifold problems

of living. My main point is that you, beginning with your individual needs and obligations, have not only minimized the terrors of Death, Disability and Old Age but you have come, as a group, to be one of the largest holders of useful securities in the world.

You are the only group that ever existed having the courage and sanity in the current problems of living to rob Death of his terrors by dealing with him as an ultimate fact.

As a group you are not capitalists, yet you have become the greatest of capitalists.

Following your impulse of self-protection you have created the greatest of all beneficial institutions.

Seeking to banish the need of charity from your own household, you have shown how the need of charity may be completely banished from every household. DARWIN P. KINGSLEY, President.

New York Life Insurance Company	
BALANCE SHEET—DEC. 31, 1929	
ASSETS	LIABILITIES
Real Estate Owned and First Mortgage Loans on Farms, Homes and Business Property.....	\$593,633,002.37
Bonds of the United States, Other Governments, States, Cities, Counties, Public Utilities, Railroads, etc...	672,665,159.31
Preferred and Guaranteed Stocks.....	52,414,042.00
Policy Loans, Cash and Other Assets.....	346,991,407.36
Total Funds for Policy-holders' Protection..	\$1,665,703,611.04
	Reserves—ample with future premiums and interest to pay all insurance and annuity obligations as they become due.....
	\$1,465,664,828.22
	Dividends Payable to Policy-holders in 1930.....
	71,796,857.00
	All other Liabilities.....
	7,859,164.31
	Total Liabilities... \$1,545,320,849.53
	General Contingency Fund.....
	120,382,761.51
	Total.....\$1,665,703,611.04

Branch Offices in most of the Larger Cities of the United States and Canada.

DIVIDENDS	NEW BUSINESS	TOTAL RESOURCES	Insurance in Force
Payable in 1930 \$71,775,000	1929 \$953,000,000	Dec. 31, 1929 \$1,665,000,000	Dec. 31, 1929 \$7,266,000,000

production of the whole plant and thus entail indirect losses which are enormous in comparison with the value of the single unit burned.

On this account the fire-safety provisions of any such unit should be established on the basis of the possible consequences to the plant as a whole as a result of fire in that unit, rather than on the basis of the physical values of the unit itself.

One part can stop the whole

A FEW years ago a large manufacturing plant was erected in a middle western city. The buildings were fire resistive, complete automatic sprinkler protection was provided, the whole plant was a model of fire safety.

One item, however, was omitted from this program. The aluminum foundry, a detached unit of relatively small value, was of ordinary wooden construction without special protection. This foundry burned.

The cost of replacing the building was small in comparison with the value of the plant as a whole. But, in the meantime, the factory was without the castings that formed an integral part of the product, and the production of the entire plant was stopped.

The most progressive executives now carry the lesson of such fires one step further, and consider the possibility of interruptions to their own production or sales programs through fire in outside plants supplying material or products to them, in some instances carrying insurance against such indirect losses.

The fire in the aluminum foundry might have just as disastrous effects on the production of the plant as a whole if, instead of being a part of the plant, it were under different ownership producing the castings under contract.

Favoring fire-proof plants

THE Ford Motor Company is reported to make a practice of examining the factories of concerns to which contracts for parts or materials are to be given and, in awarding such contracts, to favor the plants constructed, equipped and operated in a way to make unlikely any fire that would interrupt deliveries.

This leads to a consideration of the possible effects on the individual business of outside fires in general. The first and most obvious is the so-called exposure fire, the fire which originates next door or across the street and may

spread to your property. This hazard can be controlled through standard methods of fire protection. Sweeping conflagrations involve a more serious exposure, but this too can be safeguarded on an engineering basis. Various other possible effects of fires at remote points are less obvious. Outside fires may in general affect the individual business in the following ways:

1. Fire in an adjoining building, even though it does not endanger your own property, may interfere with access of customers and employees to your building, or take the attention of employees from their work while the fire is in progress.



The saving on insurance may pay for the installation of sprinklers

2. Supply of material or products obtained from outside concerns may be interrupted by fire in their plants.

3. Market for goods or products may be affected by fire in the property of a single large consumer. The purchasing power of a whole community may be affected by a conflagration, or by the burning of bridges and other causes.

4. Transportation, power and even water supply may be interrupted by fires in public-utility properties, by fires along railroad right of ways or under electric transmission lines, by the burning of bridges and other similar cases.

5. Labor supply may be affected by sweeping fire in a residential section which results in shortage of housing.

The importance of these items will vary greatly in individual cases. In some cases the possibility of loss from any such cause may seem remote, but it is always worth while to examine into these matters carefully to make sure that no avoidable risk is being incurred, and to take an intelligent interest in matters of community fire hazard and fire protection. It should also be noted that community fire conditions determine the

basis of fire-insurance rates for the community, and thus affect every individual property in the community.

I recently inspected a small sheet-metal shop in a building of tinder-like construction which had several potential fire causes evident. The proprietor replied to the suggestion that fire extinguishers should be provided and that a sheet of metal be placed under the stove by saying that he had occupied that building 40 years, had never had a fire, and that there was nothing to burn as his only stock was metal.

Human nature is such that long-continued freedom from fire breeds a sense of security that may be wholly unjustified by actual conditions.

If a sufficiently large number of similar "risks" are taken, the law of averages will operate, and the total fire loss occurring in a year will be a small fraction of the total values, a percentage that may be predicted on the basis of previous experience. This is the basis on which the insurance companies operate and from which the theory of insurance rates has been evolved.

In the individual property, however, it may be largely a matter of chance as to whether a disastrous fire occurs within the year or a hundred years hence. The danger of fire is always present to a greater or less degree, and it is a gamble as to when fire will come.

Fire insurance enables us to "hedge" on the gamble, but in most cases this is only a partial hedge and some of the risk necessarily remains. The odds can be greatly lengthened in our favor by proper construction, protection and fire-prevention measures. Above all, the risk of fire should not be assumed blindly; the odds should be carefully analyzed and the decisions made with full knowledge of the values at stake, both in physical property and intangible assets.

Tall Buildings

IN STUDYING the economics of constructing tall buildings, the American Institute of Steel Construction found the engineering height unlimited for practical purposes because of the flexibility of modern structural steel, but found a real limit due to other causes such as elevator service. And too low buildings were found expensive. Where the land value is \$200 a square foot, the maximum return is derived from a building of 63 stories; but where the value is \$400 a square foot, the most economical height is 75 stories.



He didn't pay a penny for this METHOD that lets his office close at five!

"...and because the loose-leaf method so highly simplifies bookkeeping," reads a recent letter from a Detroit insurance man, "we've cut out every lick of overtime."

Fast, accurate bookkeeping! . . . postings made as fast as orders pour in . . . bills speed out exactly on schedule time.

It's remarkable how a good loose-leaf method simplifies your operations—how it makes every minute of the day yield more work—and how it actually saves you money.

But more remarkable still is the fact that you don't pay a penny for the methods that Remington Rand

men can frequently suggest. You pay only a reasonable price for fine paper, fade-proof inks, perfect trimming and durable binders—when you purchase Baker-Vawter and Kalamazoo loose-leaf ledger material.

Remington Rand has lots of other IDEAS about systems, and everyone of them is FREE—yours for the asking. Just call in a Remington Rand specialist. Gladly and quickly he will examine your methods and suggest a dozen ways to put more zip into your business... Phone the nearest branch of Remington Rand Business Service today or write to the main office at Buffalo, N. Y.



This binder has everything you could want . . . distinctive as an ambassador's brief case . . . tough as a whip . . . holds sheets trim with vise-like grip . . . and retains neatness despite rough usage. See it today—call the nearest Remington Rand branch.

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COURTESY ORDNANCE DEPT., U. S. A.

Gauging of cartridges is only one step of many in their manufacture

Educating Our Industry for War

By ROBERT DOUGAN

WHOMES going to win the next big war? And why? Simple questions to answer, after all. Military experts and leaders of industry agree that, other things being nearly equal, the nation whose manufacturing plants can most quickly be tuned up to quantity production of cannon, shells, searchlights, fuses, gun carriages, and whatnot, will win a victory. War is now a fight of factories, a battle of machines.

There are several ways by which a nation may be assured of having adequate supplies of munitions when a war comes. It may store them, but, except for necessary reserves, that way is impractical for munitions deteriorate and become obsolete. They may be made in government plants, by private concerns which are in the business in time of peace, or by other private plants

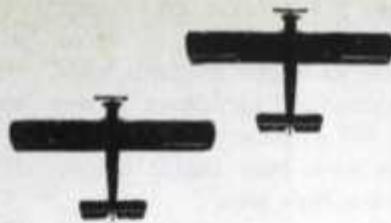
which go into that line after hostilities begin.

The last named is the accepted way in modern times. Government plants in the United States have the capacity to fill only from five to ten per cent of our munitions needs in a war against another major power or combination of powers. This is true also, perhaps in varying degree, of other great nations.

None could afford, for economic and political reasons, to support plants large enough to supply munitions for a great struggle.

There are few large private munitions manufacturing plants in the whole world; virtually none now doing business in the United States. So the matter comes down to the large, efficient, well managed establishments that in time of

★ **WHO will win the next war—if, unhappily, we should ever have another? Military experts agree that, in this mechanical age, the issue largely will be decided far behind the fighting lines, in the factories and forges. Military committees of Congress and American industry realize this—and they have evolved the plan explained here for insuring adequate arms production in case of war**



Only two out of 1730 prospects were "too busy" to see this flying representative!



A NEW product to sell... the largest and most up-to-date hotel in New York City. Hundreds of prospects to be seen... located in 60 cities in every part of the country. Only one man available... and a 15,000 mile trip to be made in 60 days!

Obviously older transportation methods—the railroad or automobile—were far too slow. There was only one way to cover the ground, and that was to leave it. A Curtiss Robin was chosen. The trip was made—through sun and rain, storm and cold—without a hitch.

This was a carefully planned sales campaign. Letters were written to leading bankers, department stores, travel agencies and hotel managers—1730 in all. They were told when Mr. H. Stevens, Assistant Manager of the New Yorker Hotel, would be in their city. Only two of the 1730 prospects were "too busy" to see the man who had such an important message that he flew all the way from New York to deliver it. Even if these personal calls



had not been made, this "flying" trip would have paid for itself three times over in publicity values alone!

An unusual case? Not at all. Large enterprises now regard the airplane as essential business equipment—as the nearest thing to having a man in two places at the same time. And every day more and more sales managers are turning to the Curtiss Robin for those important "flying" trips that must be made.

With more than 40 strategically-

located airports of the Curtiss-Wright Flying Service, and distributors practically everywhere, the reliable service that keeps planes in perfect condition—by Curtiss-trained mechanicians—is never more than an hour or two away.

There's a definite need for a Curtiss Robin in every line of business—ways in which it might be used to increase sales and profits. For particulars as to how a Robin might best serve you, address Dept. R-8.



THE HOTEL NEW YORKER

CURTISS-ROBERTSON AIRPLANE MFG. CO.

Division of CURTISS-WRIGHT CORPORATION
Sales Offices: 27 West 57th Street, New York City

CURTISS ROBIN

For Business
Pleasure
Training



peace make automobiles, typewriters, sewing machines, multigraphs, street cars, machine tools and other articles of ordinary commercial usefulness. In war the victory will go according to the way such plants have been taught beforehand their war-time jobs.

An inexpensive insurance

EUROPEAN nations long ago decided what to do. They took to heart the outstanding lesson of the World War. They remembered the two years of trench warfare that resulted from the fact that no nation involved had the cannon and shells to carry through any great offensive movement after the battle of the Marne.

They are spending a few dollars now to educate their industries so that a few hundred millions may be saved later, not to speak of thousands of lives and perhaps their national existence. They look upon this sort of education as national insurance which costs very little comparatively but which may yield enormous dividends later.

Why does industry need education in the making of munitions? The answer is simple. It is well understood by military men and leaders in the business world. Making munitions is much more difficult and complicated than turning out trucks or tractors or pleasure cars

or typewriters. Cannon must be quite as accurate as watches. Shells must be perfect. Mistakes in manufacturing mean death to the soldiers of that nation whose workmen make those mistakes.

The War Department of the United States is fully aware of the importance of this form of education. So is American industry; so is Congress, or at least so are the committees of Senate and House which deal with military problems. The House Committee on Military Affairs held hearings last year at which a great deal of imposing and informative testimony was developed from military experts and industrial leaders.

The proposal to educate industry has the support of the War Department, the Navy Department, and the Chamber of Commerce of the United States. The last organization has endorsed the placing of educational orders with American manufacturers, adopting a resolution coming from its Committee on National Defense.

The House Committee's hearings were held on a bill that proposed to change existing law so that the Secretary of War would have the power to place educational war orders for munitions without advertising for bids or without being bound to award them to the lowest responsible bidders. Its purpose was to assure the War Department that it

would be able to educate the great industrial and manufacturing concerns and to make certain that it might reject bids from small concerns with no capacity worth consideration in war time. Such small concerns might underbid the larger ones; there would be little or no profit for an automobile manufacturer or a maker of typewriters in turning a corner over to making munitions for a few months at a time, whereas the small factory might be glad to take any sort of order.

The House Committee was most friendly to the idea of educational orders but there was some criticism of the bill as presented. It failed to come to a vote at the short session and of course did not come up for action during the extra session.

The new bill throws many safeguards about the placing of educational orders, giving the Secretary of War, however, broad discretionary powers. Under its terms no such orders may be placed with the same person or corporation oftener than once in three successive years. It provides for inspection of any plant by the War Department and requires an accurate record of manufacturing costs. It carries authorization for the expenditure of five million dollars in five years. Detailed reports of what is done under the bill, if it becomes law, are required of the Secretary.

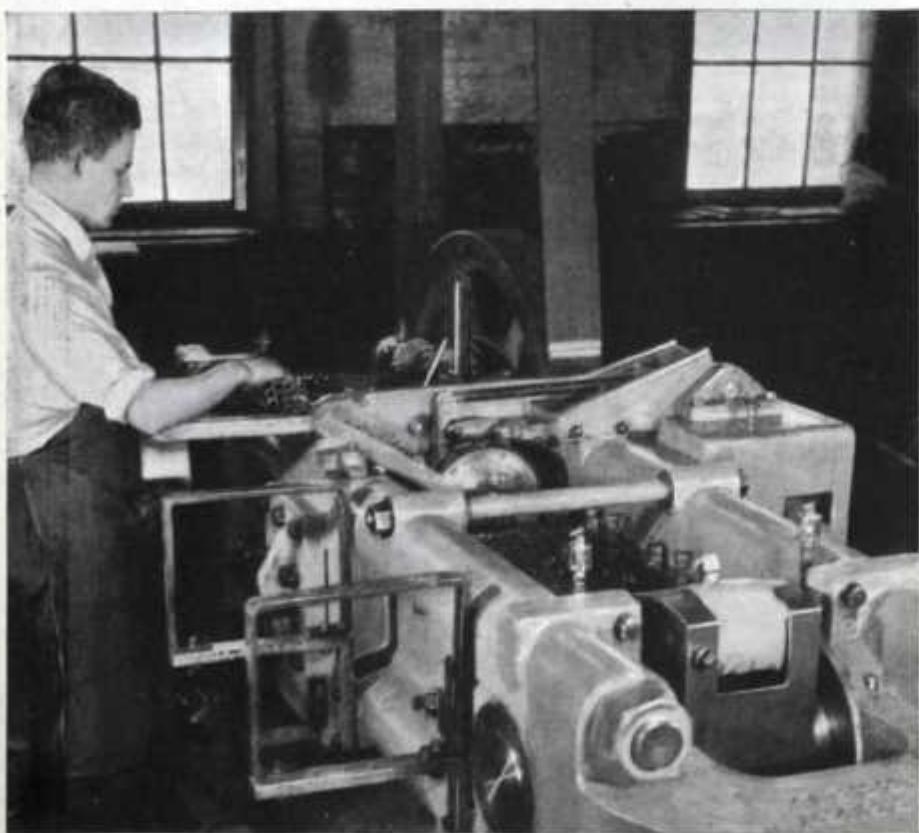
One of the chief witnesses at the House Committee hearings was Ernest T. Trigg, chairman of the Committee on National Defense of the Chamber of Commerce of the United States.

Profits only to efficiency

"EDUCATIONAL orders are not designed to be, nor will they be a profitable source of new business to American industry," Mr. Trigg said. "Far from it. While of little significance commercially, these proposed educational orders are, in the judgment of American business men, of profound and far-reaching significance from the viewpoint of bringing the defense of the country abreast with the industrial era in which we live."

"The World War taught us one outstanding lesson in national defense—that the ultimate battlefield, where rests the final decision, is the factory. Unless we have the facilities and know how to equip without loss of time a modern military force, we are as helpless in the face of a well-organized attack as knights on horseback would be in face of gunfire."

"To be prepared to raise and train a large army willing and eager to de-



COURTESY ORDNANCE DEPT., U. S. A.

One of the main men behind the guns is this chap, who feeds cases for .50 caliber machine-gun cartridges into the heading machine



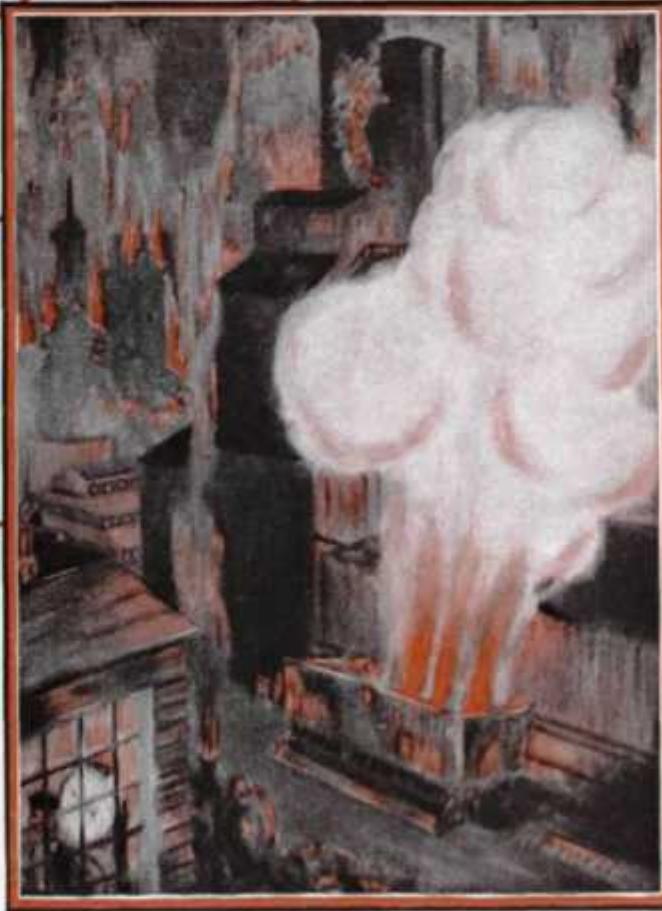
Beginning the Second Century of an Ideal

From Egypt came the crude balance. From Rome the unwieldy steelyard. In five thousand years of civilization man had made no worthier contribution to the science of accurate weighing until a century ago.

In 1830 Thaddeus Fairbanks, buying hemp from his Vermont neighbors, conceived the system of weights and levers which is the foundation of every modern scale. Commonplace now—but so revolutionary in 1830 that the leading countries of the world conferred high honors upon the ingenious Yankee who gave mankind a method of accurate weighing that has affected profoundly the barter and trade of commerce.

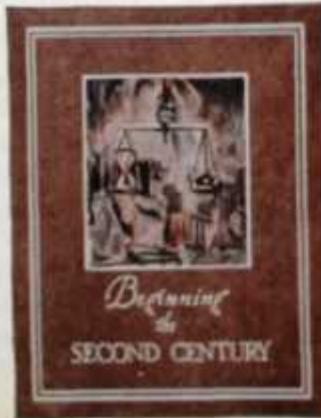
100 years ago! Yet today the name "Fairbanks" is still synonymous with "accurate weight." An inspiring example of business success built upon an Ideal which with 1930 begins its second century.

Sound growth followed the building of the first Fairbanks Scale early in the 19th century. Today, Fairbanks, Morse & Co. is universally known as the manufacturer of scales, Diesel engines, electric motors, generators and pumps, home light and water systems,



gasoline engines and railway motor cars. Strict adherence to the highest standards of construction and fair dealing has won the unreserved confidence of industry in every product bearing the Fairbanks-Morse name. This gratifying confidence justifies continuation of the sound business principles upon which a century of success has been built.

FAIRBANKS, MORSE & CO., Chicago



A copy of "Beginning the Second Century" will be sent postpaid if requested on your letterhead. It contains interesting historical information as well as a practical discussion of weighing methods that save time and money for modern industry.

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SCALES • DIESEL ENGINES • MOTORS • PUMPS



Does she think of the letter ... or the file?

THE LETTER, of course? Not always—especially if she expects the drawer to stick! Subconsciously, she's thinking about those warped old files . . . hating to wrench one open . . . knowing a wobbly compressor has caused a jumble of papers . . . crumpled, covered with dust that seeps in through the cracks.

Trifling things . . . yet they waste your file clerk's time . . . break in on her concentration . . . divert a lot of her energy from the work you pay her to do.

Just get her one—*only one*—Art Metal steel file like those shown above. Have her use it for a separate group of records. See for yourself in what perfect order she keeps the contents . . . how quickly anything you ask for from that file is laid on your desk.

Art Metal files are *planned* to promote efficiency . . . to conserve space. Drawers glide in and out at a touch on their ball-bearing suspensions. The pat-

ented compressors keep papers smooth and make every inch of filing space in each drawer available.

But files are only a single item. Art Metal supplies every office equipment need—from president's desk to store-room shelving—all wrought from enduring steel.

We shall be glad to furnish information on equipment for any type of business. If you need additional equipment for your present office, just let us know the kind of equipment you want and we will forward a catalogue.



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Art Metal
STEEL OFFICE EQUIPMENT

fend the country and not to be prepared to arm it with modern munitions and equipment is not to be prepared. Such a course is as futile as to build warships without guns."

Brig. Gen. C. L'H. Ruggles, Assistant Chief of Ordnance, was the principal military expert at the hearings. He appeared for the War Department and provided the Committee with a mass of information relating the handicaps under which American industry suffered when it started to make munitions after the United States had entered the World War.

He declared that it took from 15 to 24 months to get industry into quantity production of munitions during that emergency and that a similar period would be required in event of another war if this educational work were not done beforehand. If it is done beforehand, three or four months can be saved in reaching quantity production, he asserted. His data showed that the United States had on hand at the time of the hearings—considering demands that would be made in a war with a great power or powers—about four months' supply of ammunition for its principal field gun, the 75 millimeter, and about a two and one-half months' supply of small arms ammunition.

More ammunition needed

"IF we cannot get these munitions inside of a year when this war requiring our maximum defensive effort comes, what are we going to do between the fourth month of the war, when our ammunition gives out, and the twelfth or fifteenth month when we get some more?" Brigadier General Ruggles asked the Committee.

"We will be in the same position that the Allies were in and the Germans were in during the World War. We can hope that our adversary or combination of adversaries, whoever they may be, will be equally unprepared. If they have the ammunition and we have not, no matter how many million men we mobilize, we cannot protect the United States.

"On the other hand I want to say that the only chance I can see for any country or any combination of countries to defeat the United States on its own soil, with its splendid man power, its unrivaled man power, is to catch that man power defenseless from the point of view of munitions. If you give our man power enough munitions no country and no combination of countries will ever threaten the United States upon its own territory."

Faster, heavier motor traffic makes a case for complete insurance

MORE than 5,000,000 new motor vehicles produced in 1929. 26,400,000 registered for the year. Engineers seeking more speed . . . manufacturers stressing speed as a sales argument. Old men driving new cars . . . young boys driving old cars.

What new hazards modern traffic creates!

And with summer coming, with its open roads and gypsy hearts . . . *more than ever* your personal cars, and your business fleets need complete insurance protection.

You own those motors for very definite reasons—for vitally necessary personal recreation, for hauling raw materials, for delivering finished goods. Their importance can hardly be measured. They have established a *value* that you cannot afford to lose.

Yet, their very usefulness has brought such an increase in numbers that they are crowding every street and highway, constantly increasing the danger of financial loss through collision, damage to property of others, theft, or fire.

Then, too, consider the growing legislation for compulsory insurance or financial responsibility—already a law in many states. For many reasons, every motor owner should immediately protect himself with complete auto insurance.

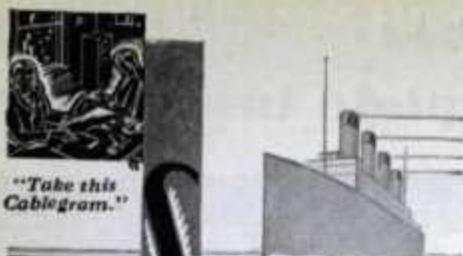
To assist you in safeguarding your investment—the *value* of these cars—the Agricultural offers you policies against all phases of physical damage. Agricultural agents are also prepared to supply you with liability and casualty insurance in reputable companies.



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TONIGHT STOP ARRIVE
PARIS FOR MEETING
FRIDAY"**

EXECUTIVES bound for Europe favor the White Star express service, because it enables them to round out a full week at the office, enjoy a week on the briny, and report punctually for business appointments in London or Paris over the following weekend.

No time need be lost on the run if work is pressing. Seek out a secluded spot on the mammoth liner and dictate away to your heart's content. Keep track of the market by radio, and in touch with your office the same way.

Plenty of social gaiety aboard ship, when you need a bit of relaxation—with the healthful tang of the sea to put new ozone in your lungs and give zest to your jaded appetite.

Sail on the *Olympic*, if that's "your" steamer, or on the great *Majestic*, world's largest ship, or the stately *Homeric*. Many other popular liners to choose from, including the *Belgenland*, famous as a world cruise ship; *Lapland*, *Minnewaska*, *Minnetonka*, *Adriatic*, etc.

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**WHITE STAR LINE
RED STAR LINE
ATLANTIC TRANSPORT LINE**
International Mercantile Marine Company

When writing please mention Nation's Business

Dodging Death to Trade in the West

(Continued from page 35)

I was afraid that the dogs would hear me and bark, and the Indians would attack me. Still I was more afraid of renegade whites than of Indians. Whenever I came to a cabin I would make my horse walk just as carefully as possible till I had passed. Providentially I got past them all without arousing any one.

After passing the last cabin I had gone but a little way when out on an island I saw a large fire with many persons around it. I supposed they were Indians and whites, and was at a loss whether to go down to them. Then I heard the click of an oar. I called out, and a voice asked what I wanted.

"I want over," I answered.

He was a ferryman, and I had reached the ferry just opposite Fort Smith. He came over and ferried me and my horse across, then directed me to a hotel. I went up, hitched my horse, took off my saddlebags and went into the hotel. It was now 11 o'clock. In the sitting room I found Captain Nolan and Captain Wilson. When I entered one of them sprang up and exclaimed:

"My God, Day, where did you come from?"

I told him how it was. He said, "I would not take that ride for \$5,000!"

I was now seven miles from Van Buren, and next morning pushed on to that town. Van Buren was the head of navigation on the Arkansas at low water. Making inquiries, I learned that a boat was expected. I there sold my horse, saddle and bridle for \$20—seven more than they had cost me.

Here I was eager to get rid of my silver if possible. It was heavy and difficult to carry, and there was great danger of being robbed. I asked Mr. White, the postmaster at Van Buren, if he could change the money for paper or tell me who could.

"Why, yes. There is a merchant here named Flannelly. He has Bank of the United States money."

This was money issued by the United States Bank of Pennsylvania.

A disappointed merchant

I SAW this gentleman and asked him how he would exchange. He would do it for five per cent. I could not afford to lose somewhere from \$75 to \$100, and said I would hold on to the silver.

Next morning on the street, I met the same gentleman.

He said, "I would like to have that silver. I will take it for four per cent."

I was not willing to do that. Then he offered to do it for three per cent. I would do it for one per cent, but would not pay more. Just then we were opposite the post office, for we had walked as we talked. Mr. White, the postmaster, was crossing the street. I called to him, "What's the news?"

"The Bank of the United States has failed. Word has just come."

This explained Mr. Flannelly's eagerness to get rid of his paper on that bank. He had learned of the failure earlier in the morning. I told him that I guessed we could not make a trade.

I waited at Van Buren several days before I got a boat. Then I took passage on a steamer to Little Rock.

The broker changes his tune

AT Little Rock I made another attempt to get rid of the silver. I thought that, though the United States Bank of Pennsylvania had suspended, I might be able to get some other paper money. But the cashier had none. However he directed me to a broker.

I went to the broker's office and asked him what he would charge to give me \$2,000 in silver for that amount in bank notes. He said he would make the exchange for 35 per cent.

Then I said, "Here, what will you take to give me paper for \$2,000 in silver?"

He looked at me a minute and said, "That's what you want, is it?"

"Yes," said I, "that's what I want."

He played on another string then, talking about the disadvantages in carrying silver. Finally he offered to exchange for 25 per cent. I told him I could not do that. I carried that specie to Philadelphia and got four per cent premium on it. So it paid me in the end.

From Little Rock I took steamer to the mouth of the Arkansas, thence up the Mississippi and the Ohio to Pittsburgh, and then by land to Philadelphia. I reached Philadelphia in April, 1841, having been away about six months.

But J. & H. Alexander did not send out another assignment of goods to Drew, Field and Co.

THE THEW

To men responsible for the handling of heavy, bulky, loose or package materials: the modern, fast, flexible crane is the answer to many perplexing material handling problems. Check into the possibilities of this machine.



TRIMMING DOWN the costs of handling bulky or heavy material is the specialty of Lorain Cranes.

With the Center Drive, Lorain Cranes work both economically and fast—economically because the simplicity of the design means efficient operation and fewer parts to wear, fast because of the direct application of power.

It is just good business to investigate the distinctive design of Lorain Cranes before you make your final selection of a crawler crane or locomotive crane.

THE THEW SHOVEL COMPANY · Lorain, Ohio

LORAIN 75



HERE ON YOUR DESK

YOUR sales manager is in his office, making his report—but his voice comes clearly from a loud speaker in the little instrument on your desk . . . You sum-

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mone it—the instant you were ready to talk—with the flick of a key. ♦ Every moment of your day you are in immediate voice-to-voice contact with your entire

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office, through the DICTOGRAPH System of Interior Telephones.

♦ You can issue orders, hold conferences, get information, conduct all the conversational details

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of business without once leaving your office or taking a man from his desk . . . The telephone switchboard is freed from inside calls and business is conducted

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with greater speed and concentration. ♦ It will take only a few moments to show you the DICTOGRAPH system in actual operation on your desk. A request will place you under no obligation whatever . . . Consult the telephone directory for our address in your city or write to DICTOGRAPH PRODUCTS CO. INC. 224 West 42nd Street, New York.

DICTOGRAPH SYSTEM of INTERIOR TELEPHONES

"The Modern Miracle of Business"



HUMAN NATURE IN BUSINESS

By Fred C. Kelly

AN old friend of mine, recently returned from a lengthy residence in France, tells me this story, which he thinks illustrates the great difference between the French and American character in business:

For a long time—nearly ten years—it had been his habit to eat at least once a day, and often twice a day, in the same little neighborhood restaurant. He had frequently taken friends there with him and his trade must have been valuable to the restaurant. One evening when he paid his bill, the waitress picked out a franc piece that he had handed to her and declared it was a counterfeit.

"I know it is," my friend told her, "but you gave it to me last night. I didn't want to embarrass you then by speaking of it, but saved it to return to you."

"But no," countered the waitress, "we couldn't have given you that and we can't accept it."

"On the other hand," my friend insisted, "you did give it to me, and you must take it back."

The girl called the proprietor, but even after he learned the details of the controversy he declared with true French politeness that he couldn't possibly accept the coin at a value of a franc, or four cents.

"Then," my friend told him, "I shall have to quit eating here after all these years."

"We shall regret losing your trade," said the Frenchman, "but we are sure we didn't give you the coin and therefore could not accept it on your bill."

In other words, he couldn't bring himself to risk conceding four cents that he felt he didn't owe to save a customer worth perhaps thousands of francs a year. Any American restaurant proprietor would promptly have decided that, right or wrong, a customer is worth more than four cents.

MANY business executives, I discover, who wish to keep as far from the public as possible, have adopted the same plan that Calvin Coolidge has, that of having their telephone calls, even at home after business hours, sifted by a secretary.

The telephone is sometimes hooked up to ring at the secretary's home first, and the secretary decides if it shall be

allowed to go on to the home of the man sought.

A few important men who find themselves too much pursued have telephone messages handled in this manner even though their phones are not listed in the directory and have secret numbers.

SOME TIME ago a New York man became so dissatisfied with the food he found in restaurants that he began to amuse himself at odd times thinking how food really should be served and how he would do it if he had a restaurant. He thought so much about this that he finally started a restaurant—and it was an almost instantaneous success. The only objection that he ever heard from customers was that the place was always too crowded—as is usually the case when a restaurant gives good food at moderate prices.

"We'd rather pay a little more and not be so crowded," customers told him.

The proprietor then tried having another restaurant within a block of the first one, and with practically the same menu, but with every item just a trifle higher-priced. Most dishes, I believe, were only about five cents more than at the original place.

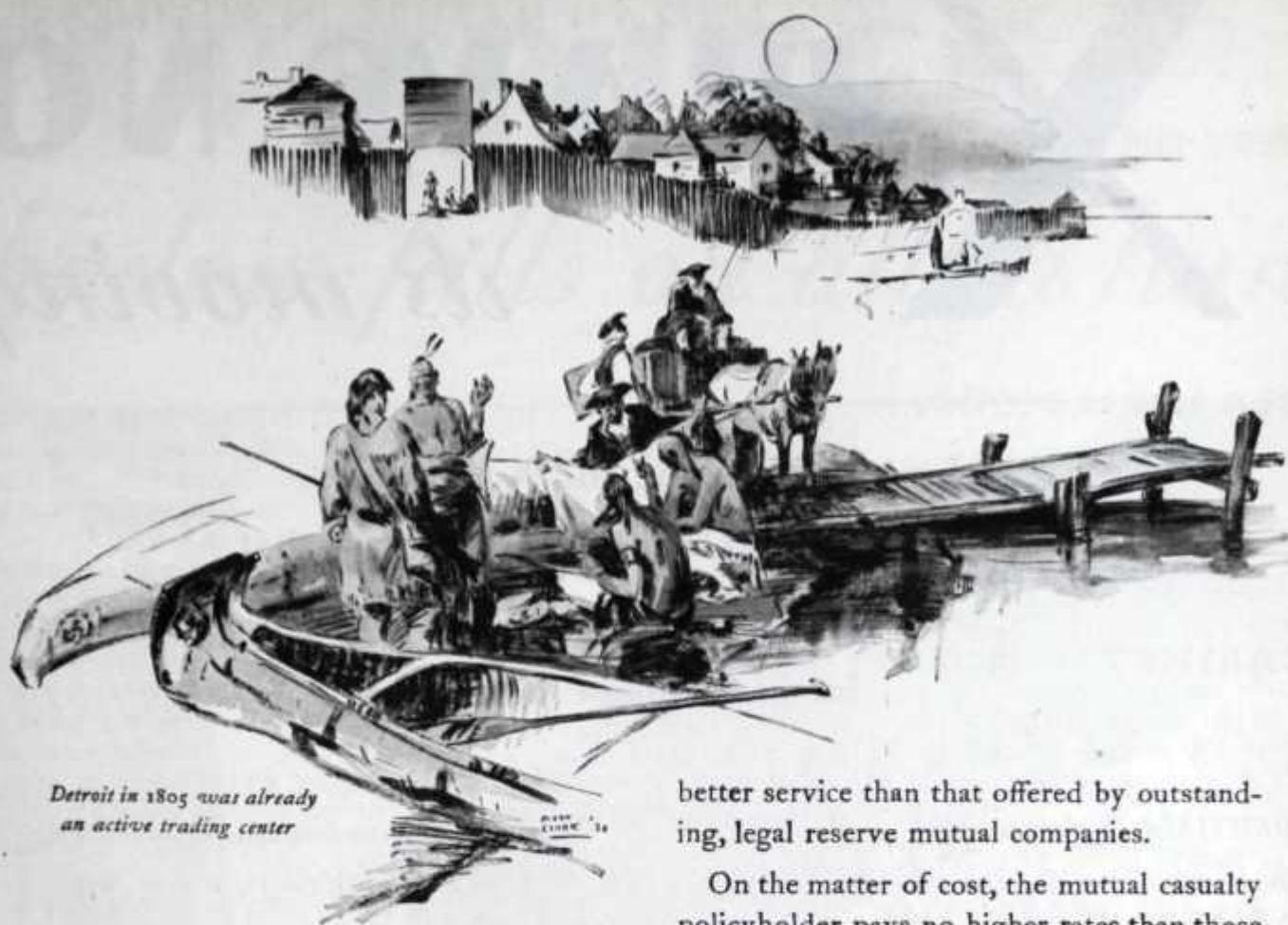
The effect was a much smaller crowd at the new restaurant. Thousands of people, after discovering the slight difference in prices, felt duty bound to go to the first restaurant where the food was cheaper, even though eating there was less comfortable. It was surprising that so small a difference in price accomplished the result desired.

Now the restaurant man talks of serving exactly the same food in a beautifully decorated place at a substantial advance in prices.

AS A matter of fact, the difference between any high-priced establishment and a low-priced one, whether a restaurant or a shoe store, is usually just as much in the service as in the goods sold.

Certain food in serve-self restaurants, coffee, for example, is probably just as good as at the best hotel in town. But it is more agreeable to eat in the higher-priced place, because rising prices automatically reduce the crowd.

They Have Grown up Together



THE history of mutual insurance parallels the history of American business, from its beginnings. There are five mutual insurance companies over 125 years old; twenty-one over 100 years old.

When American business was largely barter—exchange of commodities—mutual insurance was protecting those engaged in it.

And today when American industry surpasses anything the world has ever known, mutual insurance companies are still protecting property, lives and risks to the extent of over 100 billion dollars.

For any casualty risk, corporations or individuals can find no stronger protection, no

better service than that offered by outstanding, legal reserve mutual companies.

On the matter of cost, the mutual casualty policyholder pays no higher rates than those asked by other carriers. Further, he is a part owner of the business and shares in its welfare. Savings that accrue from careful and economical management are passed on to him in annual dividends.

Write today for an interesting booklet on mutual casualty insurance. It will be of value to anyone engaged in business. No solicitation of any kind will follow. Address Mutual Casualty Insurance, Room 2201, 180 North Michigan Avenue, Chicago, Illinois.



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X PLAYS NO *its moving*

Are you watching the X-forces—
those ungovernable external agents—that
have so vast an influence on your
business plans today?

IMPARTIAL! . . . impersonal! . . . the X-forces of modern business! . . . greater than any man! . . . larger than his projects! They move with a sweep and instance that no group, no industry, no thought can halt, or swerve. Their influence is felt by all . . . on sales plans . . . advertising programs . . . merchandising measures.

For the X-forces of modern business are national . . . international movements. They are composed of such elements as the changing tide of public taste and the acceptance or refusal of our fashion dictates in Tokio and Berlin. They count among their numbers legislative enactments; the findings of science; the discoveries of mechanical, chemical, electrical innovations that write obsolescence against old methods and procedures.

No one is immune from the X-forces. They are at work in *your* business right now, wiping out old markets for your merchandise or service, creating new. They are evolving novel financial structures for you to reckon with, impelling mergers, necessitating realignment of industries. They are creating competition you have never had to face, reducing the virility of the competition you have met for years.

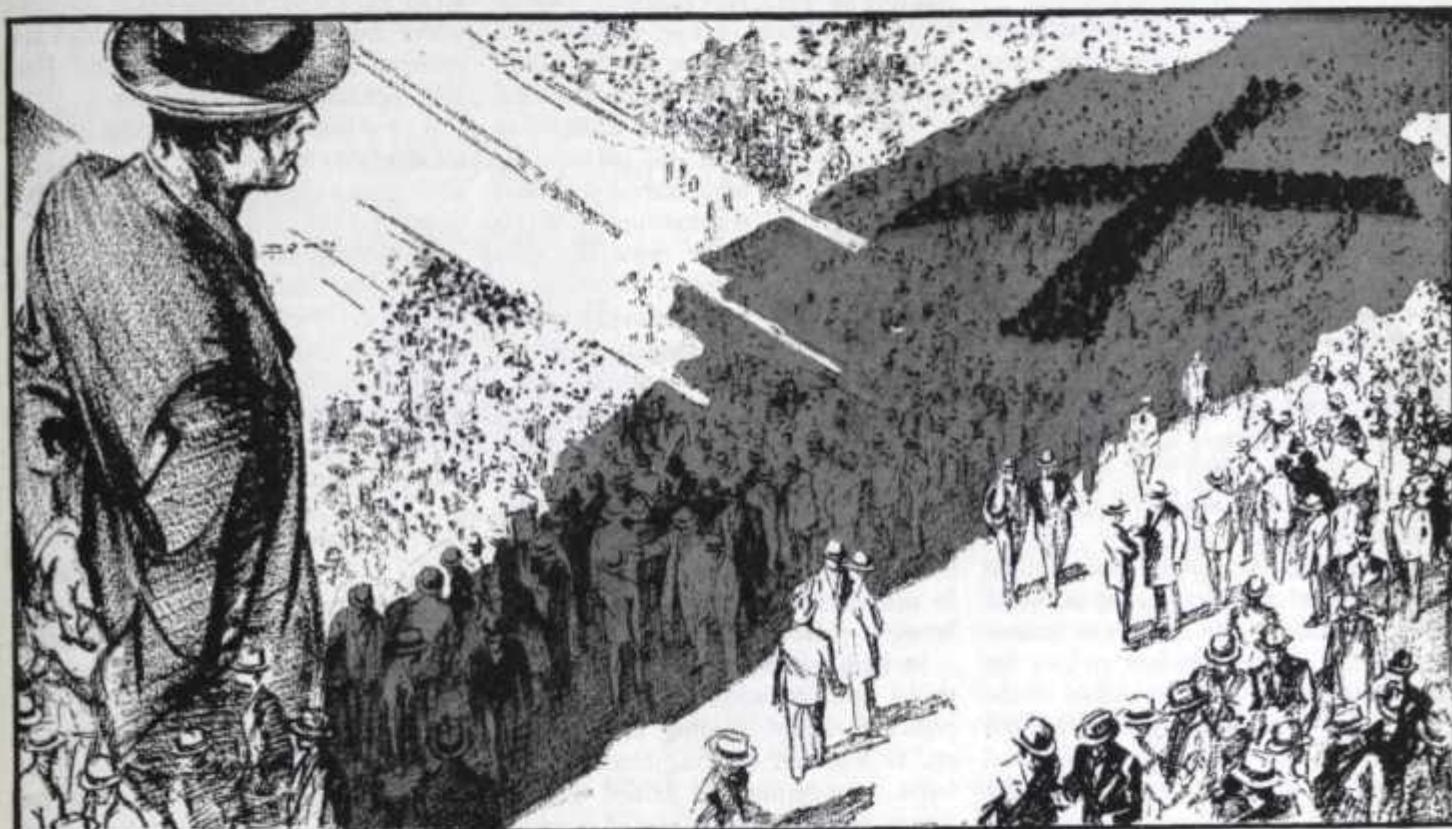
In every issue of Nation's Business, X-forces of present interest are discussed by men who are closely watching these shifting agencies of change. In this copy, you will read "Are the Rivers Threatening the Rails?" by John Love, "How Britain Learned About Investment Trusts" by Hartley Withers, "American Business in Russia"



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by Dr. Bernhard Knollenberg, "Industry's Wasteful Efficiency" by Joseph Stagg Lawrence, "Something Is Wrong With the Department Store" by Walter Hoving . . . and a score of other timely, important articles.

More than 320,000 of the country's leading

business executives will be turning the pages of this copy of Nation's Business . . . searching, as you yourself are searching, for the present path of the X-forces that surround them. These are the men who control industry's buying power . . . they form the logical audience for your own advertising story.

BUSINESS



Common Sense in National Defense

By ERNEST T. TRIGG

Chairman, Committee on National Defense, Chamber of Commerce of the United States
President, John Lucas & Company, Inc., Philadelphia

THE essential goal of national defense is national security. People generally agree as to that, but they disagree as to the means of obtaining it.

On the one hand we have our Army and Navy officers, who direct the forces charged with the primary duty of defending our country in times of armed conflict. These men, quite naturally, and it seems to me quite properly, urge the necessity of ever ready combatant forces sufficient at least to ward off an attack of the strongest possible hostile combination until additional defenses can be built up.

On the other hand we have our civilian statesmen, who check these proposals of the professionals and experts as against the ability of the taxpayer to pay for them, and as against the ability of the diplomacy of the country to reduce the hazards of war. Out of the pulling and hauling of these two approaches, the professional and civilian, we have built our present military defenses, that is, our Army and our Navy.

Two errors, it seems to me, need to be avoided if we as a democratic nation are to place ourselves in a position to consider in a common-sense way our problems of national defense.

Diplomats are not police

ONE of these errors is that diplomacy—the creation and maintenance of good will between nations—is the sole morally justifiable means of national defense.

This is the position of extreme pacifists, who, if they could have their way, would at once do away with all our military forces, other than those needed strictly for police work. This position is unsound, whether judged on practical grounds or on principle, since it is the experience of men time out of mind that a government, like an individual,

is morally justified and has the high duty of defending its citizens.

The other error is that diplomacy can do little or nothing to reduce the hazards of war. This fatalistic view of the inevitability of war, while able to make a pretty good case for itself from the history of civilized nations to date,

denies the capacity of men to perfect the organization of their relationships with other men. We may accept the premise that human nature will remain about the same, without being discouraged as to the ability of men gradually to enlarge the areas of their relations with each other

in which physical conflicts are replaced by orderly methods of settling disputes between nations.

In that connection I might add that trade and commerce are essentially civilizing forces, leading men to give up, as a matter of enlightened self interest, plundering and armed conflicts for methods and procedures of exchanging goods and settling disputes which do not periodically disrupt, more or less disastrously, livelihood activities. This has been an achievement of organization in the domestic life of modern nations.

It is reasonable to hope that an increasing capacity for organization, facilitated by modern means of inter-communication, may in time win a similar high reward in the relations between nations.

If we free ourselves of these two errors in our thinking, then it seems to me that a common-sense approach to national defense will attempt to balance diplomatic measures with military measures and thus aim to obtain for our country at any

given time a maximum of security. These two approaches are not antagonistic. Rightly understood, they are supplementary. Let me illustrate with an incident which happened at the time when both the bill for additional cruisers and the Kellogg Peace Pact were pending before Congress.

A very keen Frenchman, who has had considerable experience in international affairs, was visiting this country at that time.

In a conversation with him, I asked whether he thought, as some of our people were saying, that we were illogical or insincere in requesting nations to join with us in a pact for the outlawry of war while at the same time we were seriously considering adding additional cruisers to our naval forces.

Just a double precaution

HIS response was interesting. He said he could not see how the two measures were heading us in different directions. On the one hand, we were asking other nations to join with us in an effort to reduce the possibility of war. No sensible man would claim that this effort had yet been perfected to a point where the people of the country could be assured beyond reasonable doubt that there would be no more wars. On the other hand we were, in proposing additional cruisers, exercising the same judgment which other nations exercised in maintaining military forces at a level to insure reasonable security.

He added another interesting comment. The relations between nations,

he said, as far as his experience went, were improved by the patriotic citizens of respective countries who were genuinely and sensibly interested in measures which, if they were perfected, would reduce the "ignition points" between nations.

"For example," he continued, "we in



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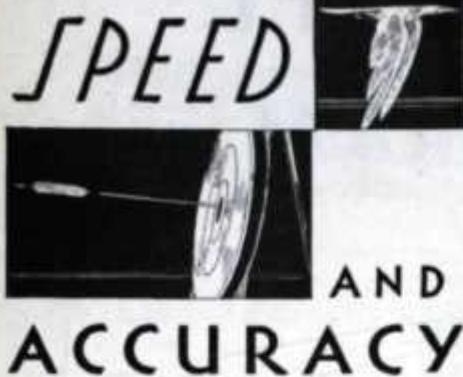
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France are much more interested in the patriotic German who comes to us to discuss ways and means of improving relations between the two nations than we are in the German pacifist, who we know does not represent the permanent and vital forces of his country."

For an intermediate viewpoint

A CLARIFICATION of our thought along these lines will accomplish much, in my judgment, to insure that we will, through our democratic processes, arrive at sound decisions on measures necessary for our security.

If, as a people we can, in this important period of the development of our country, see diplomatic and military measures, designed for national security, in their proper proportions and balance, we will be able to work out a construc-

tive and broad-gauged policy of national defense.

The great bulk of our people are neither militarists nor pacifists—using those two terms to label the extremists. They are sensibly interested in practical measures for bettering the relations between nations and in practical measures for assuring adequate preparedness to meet an emergency which might arise.

A concrete indication of this is the recent action of the business men of the country, as represented by the Chamber of Commerce of the United States, in adopting a resolution favoring "educational orders" as an important method for perfecting our planning for industrial preparedness, and a resolution approving the principles of the Kellogg Peace Pact.

The two positions are supplementary. They both reflect a common-sense view of national defense.

Against Mr. Hood's Skyscraper

AMONG the interesting comments on Raymond Hood's article, "A City Under a Single Roof," in the November NATION'S BUSINESS was one from John Ihlder, former manager of the Civic Development Department of the United States Chamber of Commerce and now executive director of the Pittsburgh Housing Association.

Mr. Hood, a prominent New York architect, visualized in his article the superskyscraper of the future. Mr. Ihlder wrote that he found the article interesting for two reasons, first, the grandiosities of the outline, and second, the apparent belief of the editors of NATION'S BUSINESS that many readers would believe that the article proposed something new. Both of these reasons are interesting, Mr. Ihlder continued, "the first because it illustrates again the continuing hold that mere size still has upon Americans (this assumes that the editor was right in regard to 'reader interest'). There are many indications that we are beginning to measure things by other qualities, but still size has an hypnotic effect.

Not a New York plan

"THE second is interesting because it indicates how little we look below the surface. We are almost inclined to believe that a different woman has ap-

peared if she changes to orange rouge from pink.

"Mr. Hood's article gives the impression that grouping like businesses together and putting the homes of their workers close by is a new conception and that New York conceived it. To the best of my knowledge and belief, the only child of New York's conception is the elevated railroad. All the rest of her valued contributions to civilization, from the subway to the skyscraper and the high-pressure water system for fire-fighting, are adopted children. Of course, she has changed them until they bear the unmistakable marks of her fostering care. No other city has *such* subways.

"So it is with this new foster child. For many years the idea that Mr. Hood expounds has been discussed. In many places it has been more or less successfully applied. There are those who think that it will be the controlling idea in future city development.

"Mr. Hood takes this good idea, which usually has been applied to wholesome, normal communities, and gives it the orange complexion of congested Manhattan. He implies, the first time I have seen it hinted in print though it has been whispered, that the developers of Manhattan really do propose to turn the New York Central and New Haven railroads into subways and the Grand Central Station into a subway kiosk. These shrewd men have noted that new

subway construction from now on will lag behind building congestion and have seized this opportunity to get a momentary advantage.

"But when all is said, the real change Mr. Hood proposes is one of size. The vision he gives us is of more people crowded into a smaller area, of grandiose and expensive methods of mitigating the resultant handicap to movement and to business. Forty-five-story buildings are to replace twenty-five-story buildings. By this simple expedient the 'undesirable' levels below the tenth floor will constitute only 15 per cent of the building's bulk instead of 40 per cent.

"The happy inhabitants of the present buildings about the Grand Central 'add nothing to the city's traffic problem.' They come in by the New York Central and New Haven (these for the moment Mr. Hood rules outside the transit facilities of the city though there are rumors that they are approximating subway conditions), go to offices immediately adjacent, reach clubs and luncheon places *via* tunnels (are these tunnels not part of New York's traffic facilities?) and never breathe an outdoor breath.

"The happier successors of these happy New Yorkers are, according to Mr. Hood's plan, to be housed on the upper floors of his forty-five-story buildings. They will get their exercise riding in elevators. From their new offices they will be able to look across great open spaces of 300 feet. It has been said that one trouble with New Yorkers is that they cannot see across the Hudson. That trouble will cease to exist in the future metropolis with its eye-stretching three-hundred foot vistas. But if only they were now able to see across the Hudson perhaps they would see something better than Mr. Hood proposes."

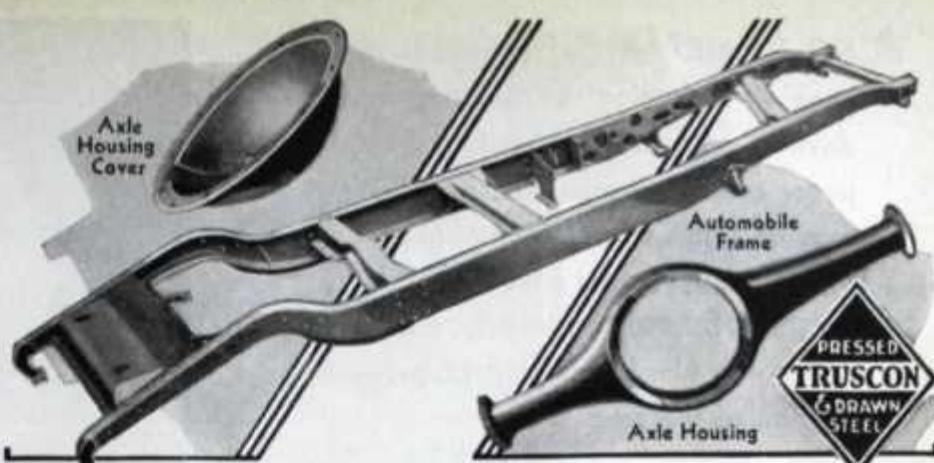
Perpendicular City

JAMES L. SMITH is the "Mayor of the Woolworth Building."

As operating manager of one of the tallest structures in the world, he is responsible for the welfare of 12,000 persons—that many have offices or work in the building.

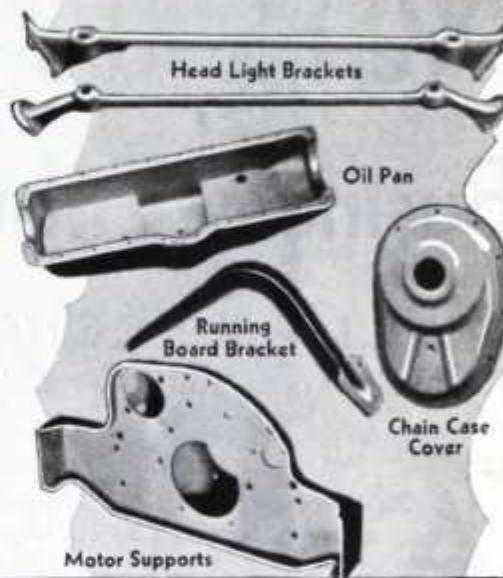
In his perpendicular town are more people than in Emporia, Kans., or in Reno, Nev.

Smith's father, Bernard Smith, is a familiar figure to everyone around Wall Street. He has been manager of the New York Stock Exchange Building for 50 years.



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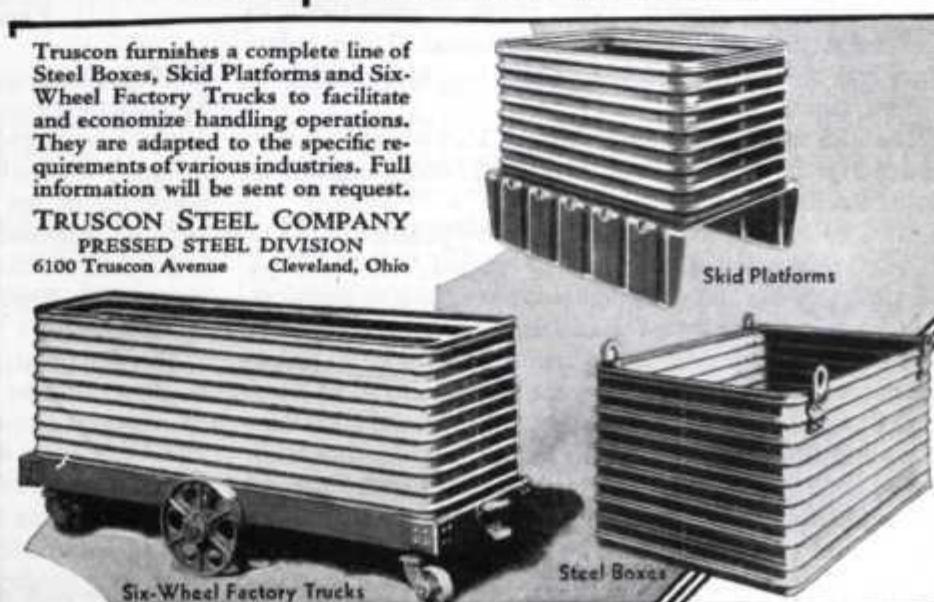
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★ **MR. DONOVAN**, after wide experience in enforcing the antitrust laws, devised a plan to save business the expense and embarrassment caused by the Government's effort to carry out an economic policy under a criminal statute. **NATION'S BUSINESS** editorially, does not agree with him but is glad to present his side of the case



UNDERWOOD AND UNDERWOOD

William J. Donovan

We Need a New Business Tribunal

By **WILLIAM J. DONOVAN**

Formerly the Assistant to the Attorney General

AFEW years ago the Federal Government indicted a group of corporations, together with their officers, on charges of violating the Sherman Antitrust law. The defendants had entered the contested agreement on advice of counsel.

The trial judge overruled their contentions, the case went to the jury and they were convicted. They appealed to the Circuit Court of Appeals. Three judges presided there. In that court their contentions were sustained. Three judges then had upheld the defendants and one judge had been against them.

The case then went to the Supreme Court which by a vote of five to three set aside the Circuit Court decision and reinstated the judgment of the lower court.

Here we see a curious situation—twelve judges who heard this case were evenly divided in their opinion. This illustrates the time, expense and uncertainty of attempting to carry out an economic policy by a criminal statute.

Because of the prevalence of such situations, many people are now coming to believe that some method should be introduced to determine in advance whether proposed consolidations and trade agreements affecting competition are legal.

The hope that by some such method, rather than by repeal of the Sherman law, a proper reciprocal relation between industry and government may be worked out.

Many people discuss the Sherman law without appreciating its provisions and the reason for its enactment. Something besides an economic theory was behind that legislation.

The concept that would preclude any attempt at a political

despot also was to exclude any industrial despot. There was also the fear that if a system that would eliminate independent, untrammelled citizens was permitted to grow up, grave social consequences would result.

The Sherman law was intended to insure equality of business opportunity. It was set up as a protection against those evils which the people had learned through history and tradition were the inevitable incident to monopolies. Rightly or wrongly, the American people believe that much of our economic progress has been due to adherence to the principle of competition.

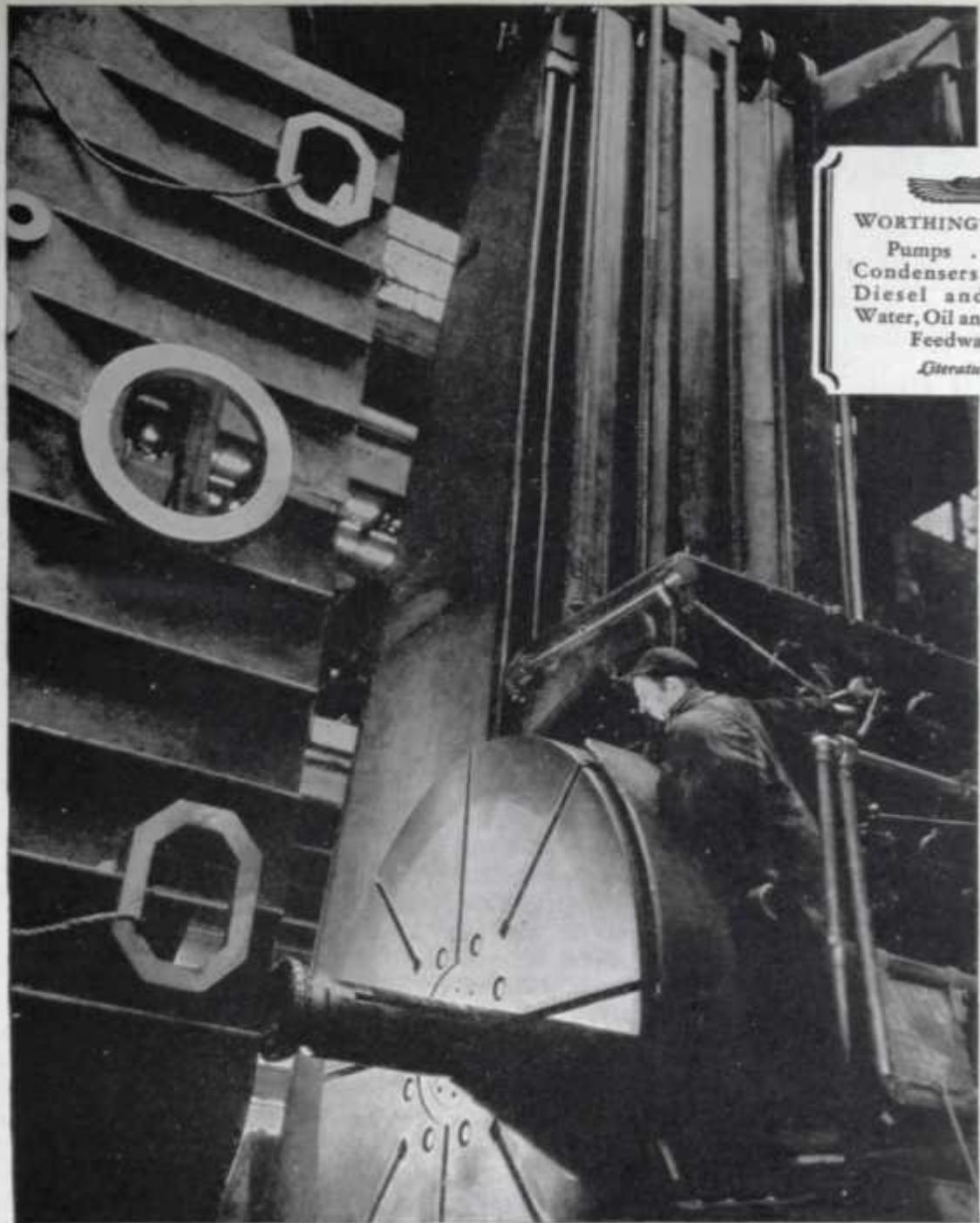
Economics and criminal law

BUT competition does not mean unfairness or chicanery. It has limitations. In our great industrial development perfectly proper motives of efficiency may justify business mergers; and industrial combinations which advance economic life do not constitute an offense. It is only when the purpose or necessary result of a consolidation or agreement is the destruction of individual initiative and elimination of competition that the serious economic and social dangers arise.

The Sherman law was based upon the idea that monopolies could be prevented and legal trade agreements discouraged by a system of repressive legislation. Criminal law was regarded as the one way to carry out this policy. We have been proceeding on that principle for 35 years.

The criticisms directed at the law itself or at its alleged lack of enforcement will be found generally to have their source in a misconception. The fault lies less in the theory of the law itself than in the inadequacy of enforcement or the inflexibility of enforcement.

Those who have studied the law or have been identified



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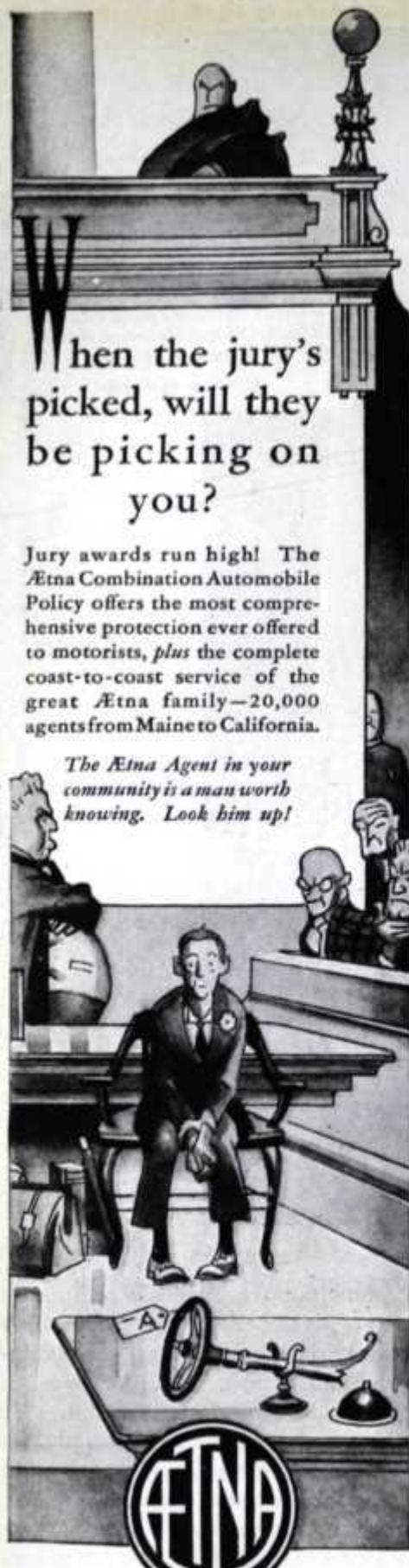
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with its enforcement have constantly sought to devise some method of administering the statute which, while permitting the legitimate growth of business, would protect the public from exploitation.

Anyone who will read the presidential message and debates in Congress and reports of the committees, will find proof of this statement.

President Roosevelt while advocating continuation of the substantive part of the antitrust law, suggested that the Commissioner of Corporations be permitted to pass upon contracts in restraint of trade and to forbid those which were subject to the provisions of the antitrust law. Those which he did not forbid could be disapproved only after notice and hearing with the right of review by the court on appeal.

President Taft sought to remedy the situation by providing that corporations in interstate commerce be organized under federal statutes. During his administration the Senate committee on Interstate Commerce held a series of hearings relative to the adequacy of laws affecting industries engaged in interstate commerce. That committee advocated establishment of a trade commission, pointing out that the courts could take no cognizance of violations of the law for years after they occurred, at which time the reparation for the wrong was almost impossible.

No bill was reported and no action taken under the Taft administration.

Supplementing Sherman Law

UNDER President Wilson the Federal Trade Commission was established. In debates it was advocated that this Commission should have the right to give views in advance but in the bill as finally passed attention was directed only to the need of obtaining better enforcement of the antitrust laws.

The Federal Trade Commission Act and the Clayton Act merely supplemented the Sherman Law. A vast field of uncertainty still remains for the business man who is trying to determine whether or not his course of action violates the law.

The Trade Commission was given power to condemn a certain course of trade conduct if it amounted to unfair competition. It was given no power to examine a proposal of consolidation or trade agreement.

Enforcement of the Sherman Law remains solely with the Department of Justice.

In particular cases certain attorneys

general have expressed opinions as to proposed courses of action, but no definite policy of meeting industrial problems at their inception has been established. The Coolidge administration, however, adopted a deliberate policy of attempting to meet at the threshold such proposals as might come within the provisions of the Sherman Law and determine if they were legal thus avoiding later litigation.

Advice given in advance

IT WAS believed that, inherently, there was no hostility between legitimate business and honest government and that the honest business man ought to be helped in his desire to avoid conflict with the law.

At the same time it was believed that this method of anticipation would best serve the public interest. A new element in the financing of consolidations also was recognized. The ownership of industries has been distributed among an unorganized and unrelated group of investors.

This was regarded as placing upon those who would enforce the antitrust laws the additional responsibility of protecting the innocent thousands who had bought stock with hard-earned savings.

Of course there is objection to this. Some insist that the only place for the Department of Justice to meet alleged delinquents is in the court room. Others feel that a public official should not work in a legalistic laboratory. So the Government determined to examine proposals of mergers and trade association agreements in advance. The method adopted has often been described. The Government attempted to study any project but reserved the right to institute proceedings if subsequent developments indicated the necessity. At the same time an effort was made to bring to issue any doubtful questions so that the Supreme Court might, by its decisions, give an added degree of certainty.

A chart prepared by Simon Whitney, the economic adviser to the Department of Justice, shows the result of that policy. It is complete to December 31, 1928, and gives in detail the number of suits that had been instituted and determined since the Sherman Law was enacted.

This chart discloses that an entirely new and constructive method was introduced without hampering enforcement of disciplinary measures.

This experiment demonstrates the ad-



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LESS than a generation ago, the average wage of the industrial worker was only 21 cents an hour, less than a third of what it is to-day. Yet manufacturing costs then were materially greater.

To-day, mass production is an inseparable part of industry. Efficient machines and materials-handling equipment have increased the productive power of labor and have lowered production costs.

Production machines and labor represent a large investment. Any manufacturer who hopes to receive a profitable return must keep them uniformly busy—with work going through in a steady uniform flow. That is why efficient conveyors are

as essential to large-scale production as the machines they serve and the labor they release for more productive work.

Day in and day out, Lamson Conveyors are giving economical service in every phase of industry—in handling every kind of material.

Lamson Engineers, experts in the science of lowering costs through regulation of production flow, are always ready to help you make your plant more productive. Their analysis of your problem may reveal savings possibilities that will surprise you. This service is yours for the asking. Write or wire our main office and a qualified engineer will call.



Labor's wage to-day is based on what it can accomplish when co-ordinated with power machinery and conveyors.

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There was once a man—



who stood on a big sea chest, as the fable runs, and scanned the horizon through a telescope—anxiously on the lookout for the ship that was to bring him fortune. Slipping, he upturned the lid, only to discover that the battered chest was filled to the brim with gold and jeweled treasure.

Only a fable—granted. But what a world of truth that fable holds for the man who is really in earnest to advance his fortune.

IF I only had a chance," you say. But hasn't it occurred to you that you can make your opportunity right where you are? Thousands of others have turned a rut into a road—why can't you?

For instance, not much chance for Harry L. Baker, he might have said, when he started as shipping clerk at \$6 a week in 1910 with the Owen Greeting Card Publishing Co., Elmira, N. Y. But he made up his mind to grow with his company, and today he is Secretary and General Manager of this firm, now thirteen times as large.

Not much chance for J. L. Aldrich, it seemed, when he started with the Monroe Calculating Machine, as order clerk. He had never sold goods; had never held a managerial position. Today he signs himself "District Manager" of this great organization.

The future didn't look so good for J. H. Bryson, of Tenn., clerking in a grocery store at \$40 a month. Today he is Secretary-Treasurer and General Manager of his own firm and doing a nation-wide business.

"Be ready for your chance, and thus make your chance"—that was Harris S. Beecher's answer to the question: "How can I win promotion?" when he was a clerk at \$25 a week. Today he is Sales and Advertising Manager of Society Brand Clothes, Ltd., of Canada.

Forget the Telescope

Your Opportunity Is Here and Now

Must you scan the horizon for some far-off opportunity—when the same LaSalle home-study training that helped these men is available for you?

Will you wear your heart out waiting for the distant opportunity that may never come—or will you find it, just as thousands of others have found it, close at home, with the aid of the coupon, and without cost or obligation?

The time to DECIDE for progress is this moment, and the time to act is—NOW.

*** These 4 men clipped a coupon like this ***

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visibility of the plan I shall propose here.

From the very nature of things something should be set up outside the Department of Justice which is charged with the active prosecution of these cases. There are perfectly obvious reasons for this.

So it is believed that it is necessary to set up additional machinery. I know it will be said that it is difficult to get personnel that will deal with these problems in a broad way. However far advanced we may be in the science of industry in this country we still lack in the science of government and in its methods of administrative law.

However, we advance only by experiment and error and it would seem that such a plan would be worth a trial. A tribunal of industry could be set up with authority to study proposed courses of action or agreements and declare them legal or illegal. We can see this tendency in other countries today.

The Cartel Court of Germany is an example.

Centralized enforcement

IN THE growing maturity of our industrial civilization few will question the wisdom of legislation which will impose upon a single body the duty of enforcing the antitrust laws. Those who have had experience in dealing with antitrust cases realize that most disagreements arise not so much from a misapprehension of the law, but from a misapprehension either of the facts themselves or of their significance.

Experience has shown that these facts can be better presented and more readily interpreted by informal conference than by formal trial.

To give sanction to such a conference, authority should be vested and centralized in some agency charged with the responsibility of decision and with a personnel intelligently fearless in accepting that responsibility. With such centralization would come a better assurance of obtaining coherence in the administration of the law.

The difficulty arises in deciding what agency should exercise that authority. As a means of approach to the question, the following is suggested as a plan that is simple and practical.

The Federal Trade Commission should be changed from a body having the combined powers and duties of an investigator, prosecutor and judge, into a body advisory and quasi-judicial. The Attorney General alone should have the authority to institute proceedings to prevent and restrain violations of the

Sherman Law. Except in criminal cases, which should be presented to the District Courts, all proceedings instituted by the Attorney General should be brought before the Federal Trade Commission. Unfair competition cases could be instituted before it not only by the Attorney General but by private litigants. From its decisions review could be made, as now, either by the Circuit Court of Appeals, or perhaps by a specially constituted court, the determination on review being final except as to constitutional questions.

Parties entering into agreements affecting interstate commerce should be given the right to submit their proposed plan to this Commission, and in such cases the Commission should be authorized and directed to give advisory opinions, when, after a hearing at which the Attorney General should appear in behalf of the Government, the Commission finds that the giving of such opinions would be in the public interest. It should be further provided that any finding made by the Commission relative to such advisory opinions constitutes *prima facie* evidence in any subsequent civil proceeding involving the same facts, and preventive of criminal prosecution.

We are really confronted with a challenge to our skill in the business of government in adequately meeting this problem short of broader governmental control and participation. The real object of government under these antitrust laws is to equalize conditions and to insure that industry shall play the game according to the accepted rules of social justice.

That is the test of our ability in government. And in meeting that test Edmund Burke has said that:

One of the finest problems in legislation is to determine what the state ought to take upon itself to direct by the public wisdom and what it ought to leave with as little interference as possible to individual exertion.

A Cabinet Cook

POSTMASTER General Walter F. Brown is an expert cook. He knows how to prepare and takes great delight in strange dishes.

And like a few other prominent men, there is no greater pleasure for him than to step into a well organized kitchen and mix his favorite recipes for himself and friends.

The Postmaster General, however, has one peculiarity in his food preferences, he won't eat strawberries that have been touched by water.



To California!

Across horizons where rose the seven cities of Cibola

Was it only a prank of the western sun...the fleeting silhouette men thought they saw of cities of turquoise, pearl and gold? Was it only a prank or was it prophecy...that flashed to gold the cold steel helmets of Coronado's soldiers of Spain when they searched for the fabulous cities of Cibola...

Today in this same western sun a new steel flashes in many a league of Coronado's path. Steel rails of Southern Pacific's SUNSET ROUTE.

And the cities that edge its glittering miles out-fable the cities the Spaniards sought. New Orleans, the SUNSET's source. Houston. San Antonio. El Paso. Tucson. Phoenix. San Diego. Los Angeles. San Francisco. These shine today in the bold reality of sky-thrust stone and steel and reclaimed desert that is become acre upon acre of agricultural wealth.

As your train speeds into the golden evening you can forget, if you like, the world that is new and the one that is gone...you need only a mind to good living. "Sunset Limited" is a kingly train...and yours to enjoy as you will—a diner the hospitable

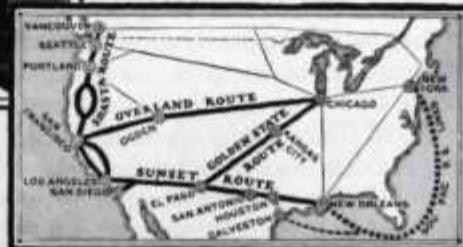
South has sponsored—club and observation cars with skilled attendants waiting for your wish.

Sunset Route is not Southern Pacific's only way to California nor is it the only one that lifts horizons. Overland Route, Golden State Route and Shasta Route have stories of their own to tell...and blue-blood trains for you to travel on.

To go West one route and return another is Southern Pacific's way of making the whole Pacific Coast and half the United States a part of one regular roundtrip ticket. A ticket that finds and interprets the West. For Southern Pacific rails follow natural pioneer pathways...It is close to the spirit of the West you are to see. Its vast network of lines explore the whole Pacific Coast. Southern Pacific is the only railroad offering choice of four routes. Go one way, return another. Stopover anywhere.



Ladies' lounge and maid—every refinement in travel service distinguishes the famous "Sunset Limited."



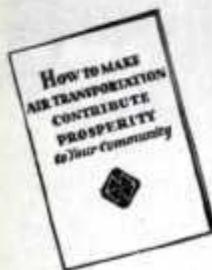
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Travel Notes From Nebraska

By JOHN M. HENRY

COLONEL COFFEY owns a half-dozen banks in the general community of Chadron, Nebr., the former home of Mayor Jim Dahlman of Omaha. Colonel Coffey made his money in cattle and still talks the cattle language. He's now about 85.

A few years ago he was at Excelsior Springs, Mo., having the sand burrs boiled out of him, I suppose. A number of other cattle men, including several commission agents, were there, and arranged a banquet for his 81st birthday. His daughter persuaded him he should put on a tie and clean his fingernails. He did this, and went so far as to have his shoes shined by a commercial shine. Reporting to his daughter later he said:

"Girl, I went down there slicked up like I never was slicked before. But do you know every man there but me had on a Hereford suit."

(I assume you know how Hereford cattle look; white faces and white front.)

Another time Nebraska bankers were conferring at Omaha on what to do about the hard times that seemed imminent.

"Well, gents," said the old colonel, "personally, I'm going to winter a lot of money."

On this same trip he was telling how cheaply he got some of his land.

"But," he added, "I could have bought a township more for two quarts of whisky."

"Well," he was asked, "Why didn't you?"

"Why, I had only two quarts left."

IN WESTERN Nebraska (Banner County) a half-dozen men bearing surveyors' instruments appeared and began squinting through levels, driving stakes, carrying chains and denying so vigorously that they were Union Pacific employees that the folk roundabout were absolutely convinced they were, and rushed in to buy land along the railroad they were certain was being projected.

They found a company agent who just happened to be in town, very willing to sell. Of course, there was no railroad.

Edgar Howard of Columbus, Nebr., now in Congress, was one of the suckers. He held to his section a while, and then unloaded it at a slight profit to a man who later turned it at a still greater

profit. But neither made the profit the congressman-to-be envisaged back there 50 years ago when he saw those surveyors.

A BANK which went through the hell of Nebraska financial difficulties of the past few years (five failed in one week recently) was the Richardson County Bank, of Falls City (Home town of Governor Weaver).

The head of this bank, the main spring and *élan vital*, is James D. Slocum, aged 85, who is at his desk ten hours daily.

KEARNEY, Nebr., "1733 miles to Frisco; 1733 miles to Boston," has enjoyed eight separate and distinct booms, based on such varied causes as these:

Establishment of cotton mills by English capital; plan for establishment of university by A. O. Thomas, later of Maine and president of the National Educational Association; proposal to make Kearney the capital of the United States, in view of its location; summer resort for wealthy persons of the East.

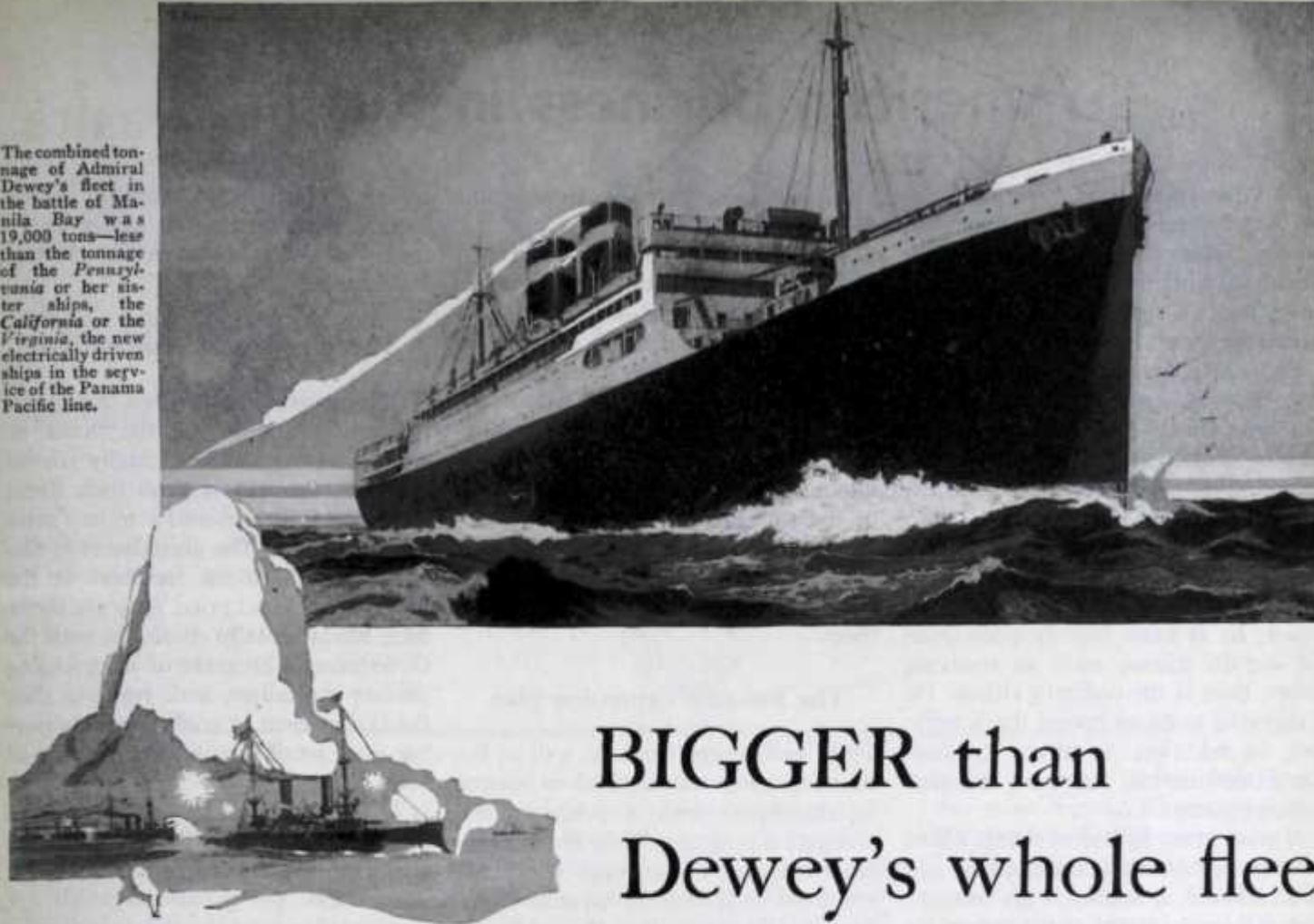
One reporter-rumorer said Old Fort Kearney, the daddy of the present town, was demised because mendicants near the camp quarreled with Gen. W. T. Sherman while he was out this way after the war, hunting Indians.

THE Democrat Printing company of Hastings, Nebr., puts out a weekly newspaper, which carries next to the most advertising of any weekly in the state. But the paper is considered only a "job" in the shop, so much so that if it were suspended only 1½ men would be released. The paper nets \$20,000 of the shop's \$85,000 business.

TWO OR three years ago the city or town with the greatest per capita bank deposit was located in the sandhills of Nebraska, where Dawes, Pershing, *et al.*, go hunting, and where land is worth little more than \$1 an acre.

Hyannis, Nebr., population about 350, had \$3,000,000 bank deposits. All cattle money.

The combined tonnage of Admiral Dewey's fleet in the battle of Manila Bay was 19,000 tons—less than the tonnage of the *Pennsylvania* or her sister ships, the *California* or the *Virginia*, the new electrically driven ships in the service of the Panama Pacific line.



BIGGER than Dewey's whole fleet

BUILT not for war but for peace, the 35,000-ton *S. S. Pennsylvania* is not only bigger than all the ships of Dewey's heroic squadron put together, but more efficient than any of them. Her 17,000-hp. motors have enabled the *Pennsylvania* and her sister ships, the *California* and the *Virginia*, to cut the coast-to-coast schedule of the Panama Pacific line to thirteen days, and have set a new standard of noiseless, vibrationless ocean travel.

General Electric engineered and built the electric equipment of these magnificent new vessels. Other General Electric research scientists and engineers are doing equally important pioneer work on land and for the new traffic of the air. The G-E monogram appears on thousands of electric products and appliances as a symbol of research, an assurance of advanced electrical correctness, dependability, and service.

GENERAL ELECTRIC

American Business in Russia

(Continued from page 29)

an iron discipline. They are men and women who have volunteered for service against industrial inefficiency, social backwardness and counter-revolutionary speech or activities.

The Party member is bound to go, at a moment's notice, to any part of European Russia or Siberia to which he may be ordered; he is prohibited from accepting a salary greater than 295 rubles (\$147.50) per month, even though employees under him are getting more; he is pledged to abstain from gambling and from drinking hard liquor; he is more heavily punishable for certain crimes, such as receiving bribes, than is the ordinary citizen. He is expected to do an honest day's work, and, in addition, to attend frequent Party meetings at night, on Sundays and on holidays.

A great many skilled workmen whose sobriety, proletarian background and unquestioned sympathy with communist principles, would qualify them for Party membership, would not join the Party because of the sacrifices demanded. However out of sympathy one may be with the fanaticism and with some of the purposes of the average communist, one is bound to respect him.

As to the matter of importing raw materials, the situation is as follows. The Union of Soviet Socialist Republics (U.S.S.R.) is, like the United States, a union of states. While retaining broad autonomy in intra-state affairs, these states have conferred upon the Federal Government power over foreign relations, commercial as well as political. Using this power, the Federal Government imposes a heavy tariff on most imported articles and permits no importation at all, except under license. This control is exercised to insure that a too unfavorable balance of trade shall not jeopardize the limited Russian credit.

Advance program required

TO receive a permit to import raw materials, the concessionaire must draw up and submit to the Government, a year in advance, his estimated needs for materials from abroad for the succeeding year. If additional importations are found to be essential later, arrangements can be made to obtain them.

This, however, involves considerable difficulty and delay.

The necessity for working out a fixed program of production a year in advance appears to the casual observer to present a serious problem. It is, however, in line with the system already widely prevailing in the American automobile industry, and none of the concessionaires with whom I spoke found that it imposes any excessive hardship. Some of the raw materials for manufacture are produced in Russia by the state trusts and are obtainable in Russia at a lower figure than it would cost to import them.

The five-year expansion plan

THE government trusts as well as the concessionaires are required to operate in accordance with a predetermined production program. There is a Government Planning Commission (Gosplan) which not only draws up an annual production program for the principal state-owned industries, but is making every effort to carry out a five-year program of expansion and production for Russian industry as a whole. The Gosplan includes the estimated production by the foreign concessionaires as an integral factor in its calculations, thus indicating that the Government is counting on the success of the concessions.

The sale by the concessionaire of his products follows the same lines as in American industry, except that his customers usually are fewer than in the United States.

Take, as an illustration, the sales outlets of the Arm and Hammer pencil concession, one of the successful American concessions.* The customers of this concession are the cooperatives, the Government, private traders (Nepmen) in Russia, and private customers in China and England.

Hammer's best customers are the consumers' cooperatives. These are retail chain stores, the profits of which are divided among the stockholders not in accordance with the amount of stock held, but in proportion to the total annual purchases of each member. A share of stock in a consumers' cooperative

ordinarily costs only a couple of rubles, so that some member of almost every family is a stockholder in one of these institutions.

The purpose of cooperatives

THE cooperatives are not conducted primarily for profit on the shares of stock. The stockholders usually receive less than four per cent on their stock, and there is little incentive to buy more than one share. The objective is to distribute goods to the members at the lowest possible net price. They are, therefore, fundamentally consistent with the Government's program of discouraging private capitalism, and, realizing this, the Government is gradually withdrawing from retail distribution in favor of them.

The Government also encourages the producers' cooperatives, organizations similar to the California Fruit Growers Association, the profits of which are distributed among the members in proportion to the amount of agricultural or other produce sold by them through the cooperative. Most of the principal executives of both the producers' and the consumers' cooperatives are members of the Communist Party and cooperate with government officials in matters of policy and administration.

Incidentally the volume of sale of pencils in Russia today, as compared with the volume before the Revolution, is of interest as a check on the Soviet's claim that it is rapidly stamping out illiteracy. According to the best estimate, the consumption of pencils last year was about four times the annual consumption before the Revolution, and the consumption is increasing about 25 per cent per year.

The Government itself is the next largest purchaser and consumer of Hammer pencils, first in carrying on its governmental functions and second as the owner of the various public utilities and state trusts. The post office, telegraph, telephone, railways and practically all other public utilities are owned and operated directly by the State or by municipalities.

Industrial production is about 80 per cent in the hands of the Government, through its ownership of the state trusts, which manufacture textiles, agricultural machinery, sugar, flour and other prod-

*Newspapers report that the government has, since the above was written, taken over the Hammer concession at book value, pursuant to a right to do so reserved in the concession agreement.

The Alexander Hamilton Institute

ANNOUNCES

New Executive Training for men who want to be independent in the next five years



THE next five years in American business will offer more opportunity and more danger than any similar period for a long time.

More men will achieve independence. More men who might achieve it will fail because of a failure properly to analyze the facts.

A right program will be more profitable than it has ever been. A wrong decision will be far more costly.

To put it in other words, the organization of business, the tempo of business, the speed of business are all in process of rapid change. The evidence is everywhere. In a brief period of thirty days between October 15th and November 15th, 1929, thousands of men who supposed that they were secure for life found themselves suddenly ruined. Thousands had their confidence so shaken that they are dazed and wondering. They have no plan. "What will happen to business in the next few years?" they are asking. "What program should we lay out for ourselves?"

The Institute foresaw the trend

Two years ago the Alexander Hamilton Institute, from its nation-wide contact with business leaders, sensed the tre-

mendous changes which were about to come, and began to make preparations to meet them.

The Institute's original Course and Service in business was a great Course and did a great work. More than 398,000 men made it a part of their business equipment, and are far ahead because they did.

But the Institute saw that revolutionary changes were in prospect. Little business units were being merged into big units. Industries were reaching out into foreign markets. *Security prices were about to become subject to a whole new set of conditions.* Production methods were being revolutionized. The sales organization and strategy of the past were entirely unfitted for the new competition. The responsibilities of guiding the new business could not be discharged by men whose training had been in the old.

The Institute said: "We must prepare a wholly new Course to meet the new conditions. We must engage the co-operation of authorities whose business success belongs to the present, and not to the past. They must be the biggest and most successful men of the present—the men who will be the leaders during the coming five years."

Without regard to cost, the Institute went out to enlist the co-operation of the

nation's business leaders. The response was even beyond its most sanguine expectations. In effect, these men said:

"The greatest need of all is for trained leadership. Count on us. Any contribution we can make to this New Executive Training will be a contribution to our own best interests, because it will furnish us with more of the sort of executives we need."

It is impossible in this page to give detailed facts about the New Course and Service. It is new from start to finish—so new that the latter part will not be entirely off the presses for some months. Every unit will come to you fresh and live and breathing—straight from the very inner sanctums of this new business world.

We invite you to send for the full facts in a new book entitled: "What an Executive Should Know." It is a booklet that should be read by every man who expects to win a secure place for himself in the next five years. It is well worth an hour of your time. And it is free.

Send for your copy today. You cannot gain a proper perspective on what lies ahead unless you look at the picture through the eyes of the country's biggest men.

Alexander Hamilton Institute, 220 Astor Place, New York City. (In Canada address Alexander Hamilton Institute, Ltd., C. P. R. Building, Toronto)

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At the same time each man wishes himself or his heirs to receive the full value of his holdings in a corporation or partnership.

The John Hancock Mutual Life Insurance Company has forms of insurance to assure continued strength and credit to such businesses and to secure for participants or their heirs the reasonable cash value of all holdings rather than a crisis price.

It is in specific ways like this, that the life insurance policy contributes to the stability of business relations.

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Over Sixty-Five Years in Business

ucts. Part of their production is sold through the cooperatives and private traders and part through so-called state syndicates which are simply selling agencies for a group of trusts.

The third outlet, private traders, is relatively unimportant, and is becoming more so as the cooperatives open more stores. The intrinsic handicaps of the independent, small shopkeepers in competition with the chain-store distributors are enhanced by the fact that the Government taxes them heavily, while it encourages the cooperatives. Apparently the private trader is able to hold on merely because of the limited supply of various commodities, butter, for example, in the government and cooperative stores.

Exports government-controlled

THE fourth outlet for Hammer pencils, or for any other Russian industrial product—export to foreign countries—is controlled by the Federal Government, which readily grants licenses for exports. Exports tend to maintain a favorable trade balance, and the Government also derives prestige from the evidence that Russian industry is able, even if only to a limited extent, to compete with foreign industry in the world market.

As to taxes, John Marshall's dictum, "The power to tax involves the power to destroy," holds true for Russia as well as for the United States. Realizing this, the concessionaires have in all cases, as far as I could determine, obtained a provision in the concession agreement as to just what taxes the concessionaire shall be subject to.

The Federal Government has exclusive jurisdiction over foreign concessions. As an incident to this jurisdiction, it has power to make binding agreements with the foreign concessionaire as to local taxation (state, county or municipal taxes) as well as with respect to federal taxation.

The provisions vary so greatly in the different agreements that any general statement as to the percentages of taxes imposed on concessionaires would be misleading. The taxes are usually of two kinds—a sales tax and an annual excess-profits tax.

The latter is similar to the excess-profits tax laws which were in force in the United States from 1917 to 1921. Profits not greater than say, 20 per cent on the investment are exempt from excess-profits tax, while higher profits are taxable at rates which are progressively higher as the profit increases. The rates are, in general, considerably lower

than were those under our Revenue Act of 1918; a tax of 50 per cent on profits exceeding 40 per cent a year on the investment is perhaps the maximum.

The concession agreement usually provides that there shall be no property tax whatsoever. The Government owns all the land, and the buildings, machinery, equipment, money and intangibles are usually exempted as compensation for the taxes on sales and profits.

Money or credit, like goods, can be exported from Russia only under license from the Federal Government. Some of the manufacturing concession agreements recently granted require the concessionaire to reinvest in the business a percentage, say one-fourth, of his profits, net after taxes are paid. The concession agreements provide that he shall be free to dispose of his remaining profits as he sees fit—for example, in the case of a corporation concessionaire, by paying dividends.

Profit agreements are kept

THE concessionaires state that the Government has scrupulously lived up to its agreement to facilitate the withdrawal of free profits from Russia at the gold basis of exchange of 1.94 rubles to the dollar. Some of the concessionaires are, however, making special efforts to develop a foreign market, since the building up of foreign bank balances provides the surest and most convenient means of withdrawing available profits from Russia.

The question of the honesty and probable stability of the present Russian Government, is, of course, the most difficult to answer. While recognizing and stressing the limited value of my views in this matter, I believe that the present Government intends to fulfill all obligations which it has itself contracted and that it will remain in power to do so. (Mr. Knollenberg will conclude his article next month with an examination of Russia's industrial prospects and those of the concessionaire.)

Flying on Instalments

AND now airplanes on the instalment plan! A manufacturer of a light model sport plane is offering his product for so-much down and so-much monthly.

The plane retails for \$2,500. It sells for 30 per cent down, plus 11 per cent for financing charges, and the rest in ten monthly payments. The slogan is, of course, "Pay while you ride."

As One Frenchman Looks at Us

In most readable style and generously sprinkled with anecdotes— anecdotes gleaned from his actual experiences during 15 months as a laborer in American factories—a French workman has written a book² entirely unlike anything that we, on this side, would expect from the pen of a European.

We are so used to having Europeans visit our humble shores and then return to their own to profit by our many shortcomings in lectures, pamphlets and books, that to stumble across a reaction entirely different is a distinct and pleasant surprise.

THE author came to America and worked for more than a year in American factories in various sections of the country. His purpose was to inspect at close range the American workman and his work.

True, M. Dubreuil did not find everything to his complete satisfaction. Our gum and tobacco chewing he frankly abhors.

And he is hurt to find that many American workers believe France to be a still more or less uncivilized country.

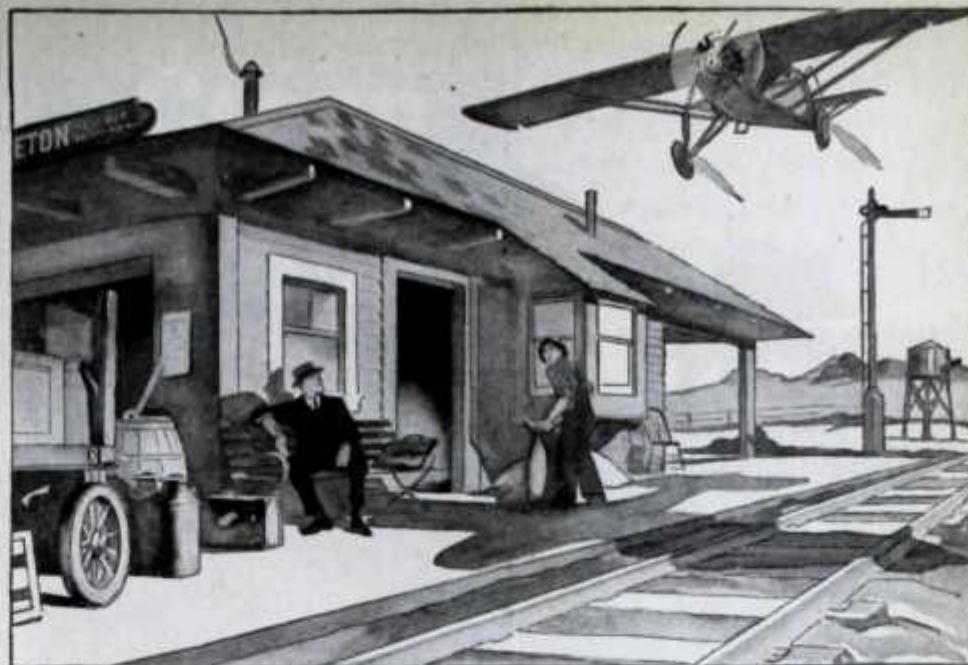
"Do you have automobiles over there?" they ask him! And there are other things that meet his frank, though unhostile criticism. But, on the whole, his impressions are enthusiastically favorable.

Others have visited us, looked at us and interpreted what they saw. M. Dubreuil looks perhaps more carefully, and does a great deal of blasting of these previous interpretations.

HE SEES no reason to pity the American workman. He does not find him turned into a machine by our methods of mass production. On the contrary, he approves our methods generally, heartily endorses them and suggests that Europe would go far along the road to industrial improvement were she to take real steps toward Americanization of her factories.

The author of "Standards" found the men with whom he worked and lived entirely happy. They bore no resemblance to the American workmen he had seen.

Standards: A French Workman Looks at American Work by H. Dubreuil, in French, published by Bernard Grasset with preface by Henry Le Chatelier, of the French Academy of Science.



Your star salesman— *is he warming a seat on a railroad platform?*

THE railroad junction may mean only a long, dreary wait to your star salesman—but it means a dollars and cents loss to your company. When he spends hours waiting for a train your firm loses not only his salaried time, but also the orders which he might have secured.

That fast air transportation minimizes such losses is one of the reasons why big business has enthusiastically turned to private planes.

The experience of one large Eastern manufacturing company is typical. An efficiency expert who was called in found that sales costs were too high. Investigation disclosed that two salesmen brought in 78 per cent of the total business each year. And it cost no more to travel each of these men than any of the other six members of the sales force.

To reduce sales costs the expert recommended that the star salesmen also take over some of the territories which were not yielding full sales quotas. To enable them to make the increased number of calls he advised the purchase of an airplane. His recommendation was adopted and, because a proved business plane was needed, a six-place Ryan was bought shortly afterward. Today, it has seen over 200 hours of service and has been a dividend-paying investment.

Executives who travel in Ryans are independent of railroad time-tables. With a speed of 150 miles per hour and a cruising range of 700 miles, Ryan planes make possible fast, conveniently arranged flying schedules. Let us tell you more about Ryan transportation. Write today for our illustrated catalog and complete information.

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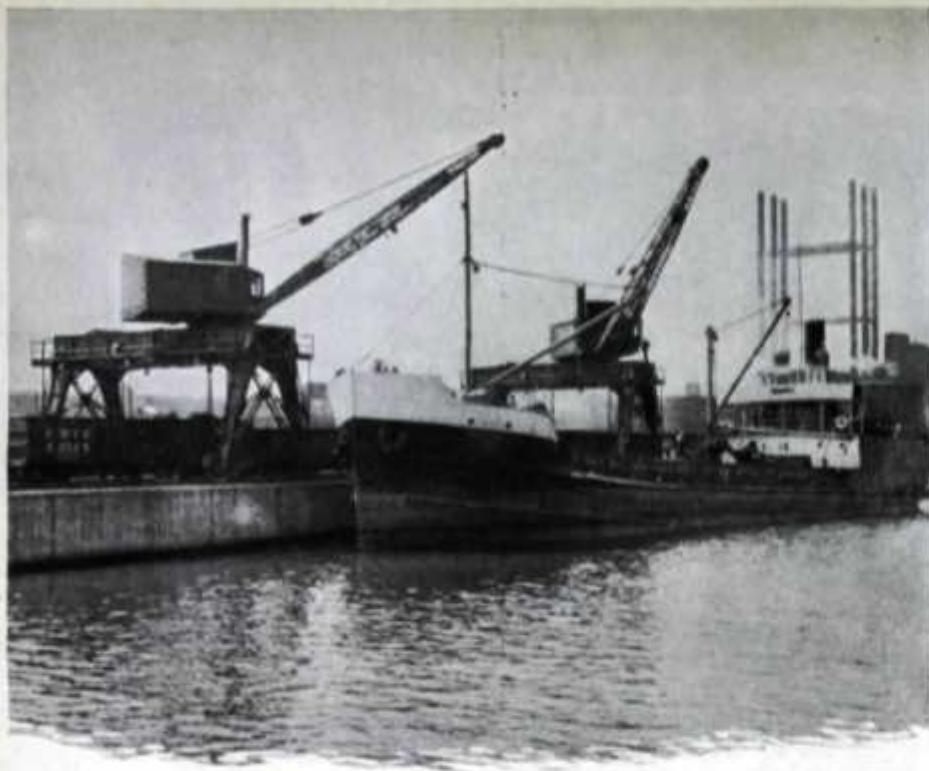
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Wherever Bulk Materials Are Being Handled

Before the days of mass production the question of materials handling was given little thought. Big output, however, meant big tonnages of materials and the slow, costly methods of moving them became a serious problem. As the larger companies began to study the subject more and more, they found that better handling methods enabled them to effect one of the biggest savings in their entire production schedule.

Today, the plants which are noted for low costs are, without exception, equipped with modern material handling machinery. In thousands of them you will find Industrial Brownhoist locomotive or crawler cranes at work handling coal, ore, castings, finished product, switching cars and being of service in a score of different ways—wherever they are needed.

Industrial Brownhoist factory-trained sales representatives have a lot of interesting facts available for the executive who wants to put his handling on a better basis. And they can recommend just the right crane for your work, because Industrial Brownhoist builds the most complete line of this equipment ever manufactured—there is a type and size for every handling need, ranging in size from six to two hundred tons capacity.

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INDUSTRIAL BROWNHOIST

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blance to robots, they liked their work and they like their jobs.

Why? As M. Dubreuil sees it, for several reasons.

Of course, one of these is our higher standard of living. But he does not find this to be only a lubricant with which American industry is keeping its working class contented and increasingly productive. He finds other and more important reasons.

Outstanding, is the cordiality among employees, among employees and employers and finally, among employers themselves. The spirit of American co-operation and American teamwork, the constant effort to better working conditions, the great opportunities for self-education of the American worker and in which he is constantly encouraged—these loom large in the eyes of M. Dubreuil.

HE DISCOVERS that the American worker is not regarded with contempt or disdain by his employers and, consequently, he is neither envious nor resentful of them. He takes great pride in his work. He has imagination and ambition. He views his "boss" with no hostility, but rather with considerable respect. He takes his problems to him, obeys his orders without question—and profits by this attitude.

He is a bit bored with the phonograph, radio and car that he owns—luxuries in the eyes of the observing European—but, at the same time, he is intensely proud of these possessions.

The author gives us this picture of the American laborer and his working conditions by means of a running story of his experiences that, in its interesting anecdotic style, leaves us with a multitude of clear-cut snapshots of the American industrial scene.

HE DESCRIBES an interview with his first employer:

"After several brief questions regarding what I have done, he tells me that I may begin the following Monday at a salary of 65 cents (per hour) and adds, 'We will see what you can do,' thus making it very clear to me that I have arrived in a country where one is judged not by what he *says*, but by what he *does*."

A foreigner, he is pleasantly surprised to find that his fellow workers do not make fun of his attempts at English, that they are eager to aid him in his work, make room for him beside them at lunch time.

He is astonished to find that his fore-

man waits behind him at the drinking fountain, that he does not have to stand aside until his "boss" has refreshed himself.

Instead of being content with the work that he is turning out, M. Dubreuil sees the American worker constantly trying to better it, to increase his quality, speed and efficiency . . . that by so doing he may better his own position.

"A job well done" is an expression that manifests itself everywhere.

THE American worker has faith in experimentation. He accepts the necessities of industrial progress, thus facilitating relations between employer and employee.

And this, according to M. Dubreuil, is an attitude necessary to the rationalization of industry, necessary to the development of public wealth and civilization's progress.

The author contends that Europe can profit by America's example, that American working methods can be successfully transplanted abroad. He believes this to be true because the psychology of the men on both sides of the Atlantic is essentially the same; their differences lie primarily in the diversified conditions from which they have sprung.

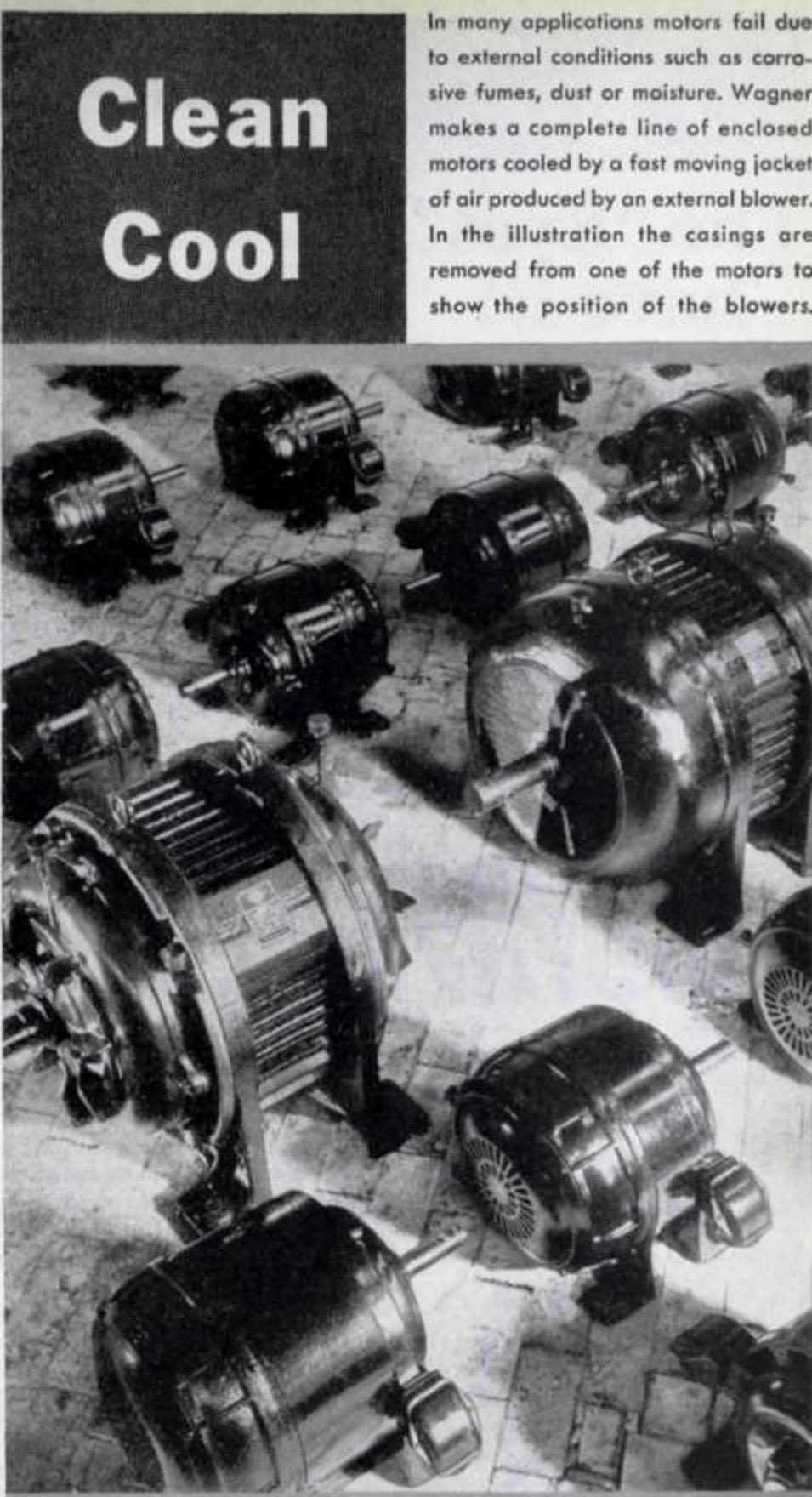
"The main difference," to quote, "between Europeans and Americans is the fact that Americans have only a short distance between themselves and their ancestors, pioneers who colonized the desert and the virgin forest.

"In order to live, to exist in a new and hostile country, they had to grit their teeth and help one another, thus forming a habit of cooperation; without a home or tools to build a home, they had to work with unceasing effort to create for themselves the necessities of life. Their sons have inherited these acquired qualities."

THIS, then, is what is back of the *situation enviable des ouvriers Américains*. There may be some slight inaccuracies in the logic of it, but it's a nice sentiment, anyway. We appreciate it. And we liked the book.

Despite the fact that it was probably written solely for European readers, we hope that it will receive an English translation. For, with his outside point of view, M. Dubreuil has written much that we, so close to the subject, have forgotten or failed to see—and the jog to our memory, the readjustment of our focus, would do us no harm.—C. F. M.

In many applications motors fail due to external conditions such as corrosive fumes, dust or moisture. Wagner makes a complete line of enclosed motors cooled by a fast moving jacket of air produced by an external blower. In the illustration the casings are removed from one of the motors to show the position of the blowers.



**Wagner,
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Wagner builds every commercial type of motor and can recommend without prejudice.

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On the Business Bookshelf

THE History of Manufactures in the United States¹ was begun in 1916. The author, Dr. Clark, was prevented from finishing it at that time by the War.

This is a thoroughgoing study of America's economic past. It does not give biographies of prominent manufacturers, it does not deal with technology and mechanics; it is, on the contrary, a scholarly and readable presentation of facts in the field it covers. While it doesn't attempt to give details concerning the histories of specific industries, it does give the broad outline of manufacturing development in the United States—and there is ample detail for the purposes of most readers.

THE debacle in Wall Street last fall has given rise to many humorous booklets. The last we have seen and the most interesting from the literary viewpoint is "Shakespeare in Wall Street."² Without spoiling the story for you, we may say that Shakespeare and some of his children (characters in his plays) are found living in New York and speculating in the market at the time of the crash.

It's a Shakespearean comedy, but strongly mindful of "Macbeth," even to having the doleful witches brewing strange potions and giving sibylline prophecies.

VARIOUS methods have been tried to induce employees to turn out more work in the average day. Payment according to the time put in has in many cases proved unsatisfactory. Charles Walter Lytle, in his "Wage Incentive Methods,"³ takes up this problem, analyzing the basic incentive plans and their variations now used in industry. Twenty-five plans are described in detail, and are presented in a manner that permits

"History of Manufactures in the United States," by Victor S. Clark. Published for the Carnegie Institution of Washington by the McGraw-Hill Book Company, New York, 1929. Three volumes, \$15.

"Shakespeare in Wall Street," by Edward H. Warren. Houghton Mifflin Company, New York, 1929. \$1.

"Wage Incentive Methods," by Charles Walter Lytle. The Ronald Press Company, New York, 1929. \$7.50.

"Kings of Commerce," by T. C. Bridges and H. Hessell Tiltman. Thomas Y. Crowell Company, New York, 1929. \$3.

ready comparison. The author apologizes for his use of mathematics, but we may say that his statistical formulae have been so simplified that even an editor can understand them.

One of his conclusions is that a properly organized wage incentive may reduce costs and yet allow employees to make more money.

SHORT, inspirational biographies are becoming increasingly popular. "Kings of Commerce,"⁴ a set by Messrs. Bridges and Tiltman, is the latest example to come to our notice. The biographies are interesting, and the men chosen are well worth reading of.

George Eastman, Henry Ford, Sir Thomas Lipton, Charles M. Schwab and F. W. Woolworth are typical of the 25 whose biographies are told.

Recent Books Received

Fields of Work for Women, by Miriam Simons Leuck. D. Appleton and Company, New York, 1929. Revised edition.

Forty Years with General Electric, by John T. Broderick. Fort Orange Press, Albany, N. Y., 1929. \$2.50.

Europe: A History of Ten Years, by Raymond Leslie Buell. The Macmillan Company, New York, 1929. \$2.50.

North Carolina: Resources and Industries, issued by North Carolina Department of Conservation and Development, Raleigh, N. C., 1929.

The Bank and Its Directors, by Craig B. Hazlewood. The Ronald Press Company, New York, 1929. \$3.50.

The Cold Storage Industry in the United States, by Edward A. Duddy. The University of Chicago Press, Chicago, 1929. \$2.

The Problem of Weak Railroads, by James M. Herring. University of Pennsylvania Press, Philadelphia, 1929. \$3.

Public Education as Affecting the Adjustment of Youth to Life, National Industrial Conference Board, Inc., New York, 1929. \$1.50.

Beginnings of Telephony, by Frederick Leland Rhodes. Harper & Brothers Publishers, New York, 1929. \$4.

Practical Economics, by Henry Shearman. Second Edition. McGraw-Hill Book Company, Inc., New York, 1929. \$3.

American City Government and Administration, by Austin F. MacDonald. Thomas Y. Crowell Company, New York, 1929. \$3.75.

Problems in Auditing, by Arthur Warren Hanson. First Edition. McGraw-Hill Book Company, Inc., New York, 1930. \$6.

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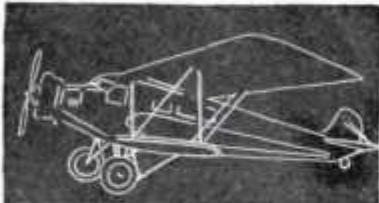
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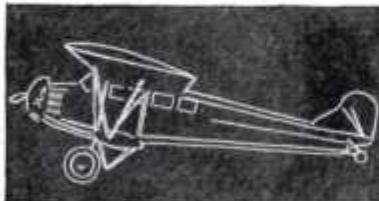
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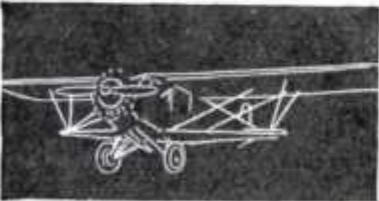
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Raise Distribution Cost and Prosper

(Continued from page 43)

has to do it, some more than others. The plant must have the added volume to permit the production economies of large-scale operation. Meanwhile, competitors' salesmen are beating the bushes in its immediate vicinity for the added orders that cut production costs.

How about the results if one company gets a major share of the business in a line, and thus is able to manufacture at appreciably lower cost than its competitor? An interesting instance of this occurred recently in a field close to one of ours. A manufacturer whom we may call "A" brought out a new product, materially better than anything in existence but considerably different from his other products. Sales were large while "A" had the field to himself.

But "B" was the established leader in the field "A" had entered. Within a few months "B" launched a new line, really an improvement on "A's," and took all the business in sight at prices "A" could not understand, much less meet. "A" is still slightly dazed, and wonders what happened.

The answer is simple. "B" had an engineering staff skilled in the line that "A" had invaded. Also "B's" factory was equipped to turn out the new product on the most modern machinery for such purposes. "A" had been making it on tools installed for other, more general purposes. With the engineering advantage and the saving in factory cost "B" had something that was easier to sell; he had a larger margin of his selling price to spend in sales effort; and he was able to make a lower price.

An improved product results

THE pressure for volume to permit factory savings is also improving the quality of goods. When a manufacturer wishes to fare afield after volume, he cannot hope to get it economically in his competitors' strongholds if he goes there merely offering the same old product in the same old way. Instead, he has to develop a line of improved items. With these, he is able to sell a competitor's customers. The customers get a better article than before.

Meanwhile, of course, his competitors are making improvements in other parts of the line and are sniping at his trade. But the consumer benefits—and in the long run those manufacturers will survive who earn the customers' trade by improvements and low prices.

Throughout industry can be seen the

trend toward eliminating inefficient manufacturing units by low-cost plants. Most frequently this change occurs when a company reequips its plant until it is even with its most progressive competitors, or else builds a new factory and closes an old. When a company does this and has the volume to warrant it, it is practically a sure sign that the business will remain prosperous.

The new plant retires the old

IF THE manufacturers already in a field do not modernize to keep up with progress, this does not mean that modernization will not take place. It will come, just as surely. The only difference is that a newcomer will put up a low-cost plant, go after the business aggressively, and get it. The old equipment in the old plant will be retired by new equipment in the new plant, instead of by new equipment under the old roof. There's no dodging obsolescence.

From the resulting reductions of costs, the customer benefits. The low-cost manufacturer spends part of his saving in selling more intensively. Part of it he passes along as a price reduction, to give his product an added appeal—or he takes the equivalent step of improving the quality without raising the price. He may be able to reserve part of the saving for himself as increased profit, or he may simply rely on his increased volume to reward him.

This steady replacement of high-cost factories by low-cost factories is our best promise of eventual lower costs of distribution. The steady trend toward giving the consumer more value for his dollar is a guaranty that the process will continue.

In most lines of business, consumption is impeded by high price. Drop the price of almost anything; the public displays a willingness to use larger quantities than before. As long as American industry is able to give continuously greater value for a dollar, the increasing consumption holds out a reward for the man who can cut manufacturing costs by increasing production.

From the viewpoint of economics and the public wealth, then, why is there any inherent harm in high costs of distribution? Why should the consumer feel a grievance as long as he pays no more, or even pays less, for what he gets? In the plainest possible language, what business is it of the consumer how the manufacturer and the distributor split his dollar, since he is getting more for



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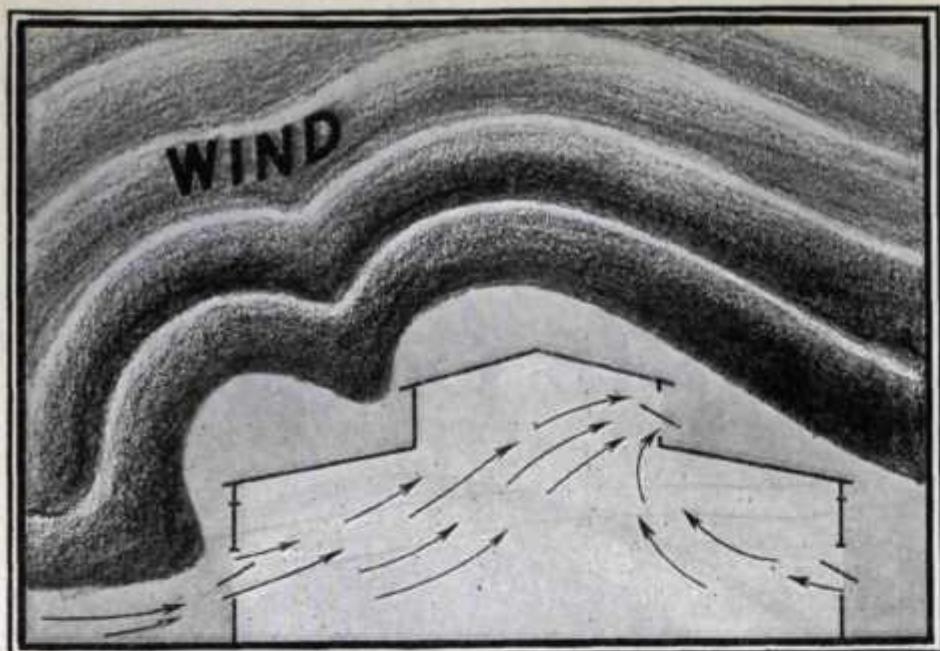
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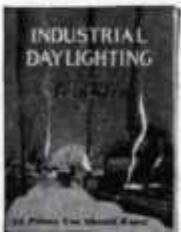
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that dollar than ever before? Take two companies in the same field, with contrasting policies. One elects to make its goods at the lowest possible cost, which involves turning out a large quantity and consequently pushing intensively for sales. By reason of its mass production, its factory costs are 40 cents a unit. But the general overhead and profit total 60 cents a unit. The consumer therefore pays \$1 a unit.

A competitor elects to sell only those customers who can easily be induced to buy of it; to stay within its territory of natural advantage; to pursue a relaxed sales policy. Its volume is consequently much below that of its rival, so that its unit—identical with the first company's—costs 60 cents when it leaves the last machine. Only 40 cents a unit is required for overhead, distribution and profit. So the consumer pays the same price—\$1 a unit.

I fail utterly to see how the consumer is any better off, or worse off in buying the second company's product than the first. Both manufacturers have arrived at the same destination by different roads.

But the first manufacturer, placing his faith in mass production, is far more likely to survive, because his plant is being kept abreast of modern developments in production technique.

An economic balance

Distribution costs and factory costs are like the two pans of a balance scale. As factory costs go down, distribution costs tend to go up. As distribution costs are allowed to fall off, production costs are likely to go up just as rapidly. They see-saw across the middle point of price.

But there is one essential effect on price. It is pushed steadily downward by the variations in level, particularly by the fall of factory costs. With each major drop in the manufacturing cost, the price to the consumer is hammered a little lower, even while the distribution cost climbs.

It seems to me that the public, and business, are better off because of this trend. The public is offered a more and more liberal supply of consumable goods. Business prospers by the larger eventual profit that accrues to the competent business man who gets the volume under this arrangement.

Why, then, should we worry about the high cost of distribution? In the long run, business men will probably find ways to whittle pieces off this cost until it amounts to less than it does now. But if they don't, what of it?"

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Centralizing Charge Accounts

A NOVEL SYSTEM of charge accounts in retail merchandising through centralized credits is being operated in Washington, D. C. Conducted by two agencies, with the co-operation of more than 200 merchants, the system aids both the purchaser and the seller, enabling the former to concentrate his credit accounts and payments and relieving the merchant of excessive bookkeeping and investigation of credit customers.

The two agencies, although using the same principle of operation, conduct their businesses through slightly different means. One uses coupons of various denominations, the other certified purchasing vouchers.

Diversified credit

FOR example, John Jones is a government employee with a salary of \$3,600 a year. He is a little short of ready cash but has some necessary purchases to make in a half-dozen different stores. His credit is good but he doesn't feel like opening charge accounts in six different places.

Mr. Jones applies to the central agency for \$100 worth of credit. The agency investigates, finds his ability to pay is up to his representations and issues him \$100 worth of coupons. If he desires he can have them divided into one for \$25, one for \$20, two for \$10, four for \$5, two for \$3, two for \$2 and five for \$1.

These coupons are acceptable in any of the 200 affiliated stores. They can be used to purchase almost anything from automobile accessories to clothing or furniture. Or if he desires, Mrs. Jones can use them at department stores, beauty shops, jewelry stores and millinery shops.

At the various stores cooperating with the agencies, the coupons are as good as United States currency. The merchants immediately turn them into the agencies for cash. The agency collects ten per cent from the merchant but John Jones pays nothing for the service. However, he must return the original amount of the credit extended in deferred payments over a period of from five to eight months. As soon as he makes his individual purchases and exchanges his coupons for merchandise, John Jones' transaction with the individual merchants is completed. All of his payments

are made direct to the central agency. He pays no interest on the loan and there is no service charge. The profit to the agency is merely the ten per cent between it and the merchants.

There is no initial payment on accounts up to \$100, the first payment being due as a rule within 30 days, although some variation is allowed to meet the conveniences of the individual customer.

The terms of payments on running accounts range from \$10 a month on accounts of \$50 or less to \$20 a month on accounts of \$75 to \$100. Larger amounts are at proportionate rates. For accounts larger than \$100, an initial payment of \$20 is required, the remainder being due in eight equal monthly installments.

All persons regularly employed at a salary sufficient to meet their obligations are eligible to use the service.

Affiliated with the agencies is a wide range of merchandising shops. One has 20 women's wear shops, 13 clothiers and men's furnishing shops, ten fur dealers, ten shoe stores, seven jewelers, five tailors, four dentists, four millinery shops, three beauty parlors, and numerous tire stores and miscellaneous establishments, including furniture and house furnishings stores, electric goods stores, and rubber and sporting goods shops.

And the lists include some of the best establishments in the city.

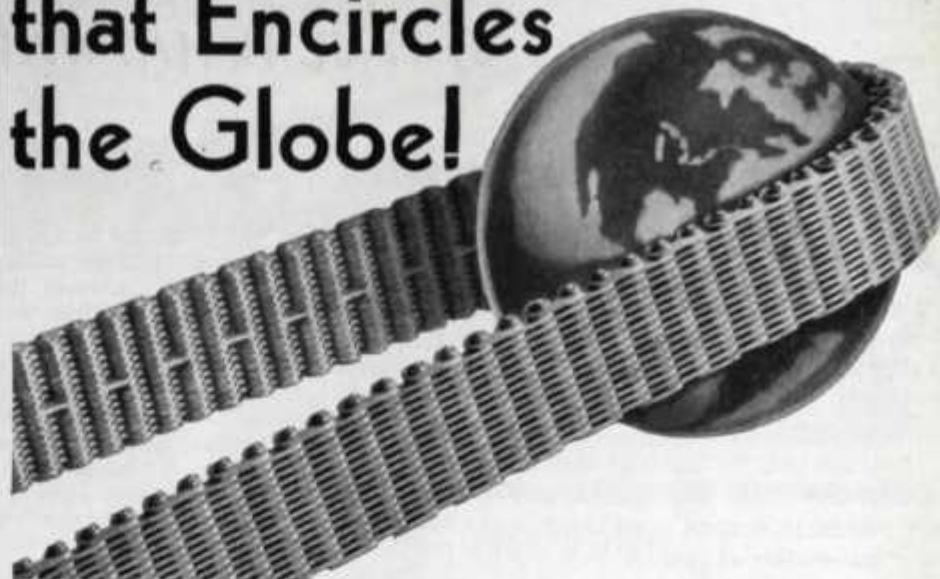
A New Aid in Telephoning

A NOVEL idea of an extension on an office telephone has been filed with the United States Patent Office. It was especially designed for long-distance calls and for busy, noisy offices. Incidentally, it also will permit two persons to listen in from a single receiver.

The extension consists of a sound-distributing chamber which fastens over the end of an ordinary receiver and sends part of the sound through the receiver and part through a rubber tube, on the end of which is a cup similar to that used on a doctor's stethoscope.

The cup can either be put to the ear of one person—a stenographer for example—while the second listens in on the receiver, or both the receiver and the cup can be used by one person to shut out all other noises.—A. P. R.

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MORSE SILENT CHAIN DRIVES

TOPICS FROM THE BUSINESS PRESS

By PAUL H. HAYWARD

ACADEMIC discussion on the subject of organized labor is many decades late," *Textile World* says in commenting on the campaign for the unionization of southern industry. "The American Federation of Labor is an established factor in our industrial life—and must be reckoned with as such."

Nevertheless, the editorial continues, a definition of the fundamental aim of the present movement is pertinent, and it presumes this objective

is to secure for the southern worker a greater measure of prosperity. Membership in a union and advancement of so-called union principles are, or should be, merely tools for use in reaching that end. . . .

We do not believe that Mr. Green and his associates can bring that prosperity to textile manufacture by merely . . . "organizing" the employees or by a program of fiery speech-making, any more than we believe that textile manufacturers can help the situation by permitting inefficiencies in production and distribution methods to continue, or by ignoring weak spots in their industrial relations policies, or by expressing . . . their hatred of the union and all its works.

There is a cooperative job to be done—a cooperative job between management and employee. If the A. F. of L. wants to play its part in that job it must change the whole psychology which seems to have been the basis for most of the recent union activities among textile operatives. It cannot secure for its members or prospective members fundamentally improved conditions unless it helps the industry to achieve fundamentally better conditions itself.

To this change in psychology must be added a change in union personnel. This is not a job for street-corner orators; it is a job for level-headed students of economic history and of present-day trends.



• The Millers' Dilemma

TURNING now to another field, that of grain milling, we find it facing a problem comparable in complexity to that confronting the southern textile industry. W. H. Wiggin, in *The North-*

western Miller, views the situation in this light:

This is a time which calls for nice judgment in the administration of the milling business, in view of the creation of the Farm Board, its proposed activities and the legislation back of it. The Government has entered upon a gigantic experiment the like of which has never been known before in this country. . . . It threatens the very life of the independent grain trade. A large body of citizenry . . . doing a legitimate business on a competitive efficiency basis is forced to contribute in taxes to put itself out of business. . . .

The present time calls for sound judgment in the milling business because it is entering a new era. If this new era, to be established by the operation of so-called farm relief, accomplishes what it is professed to accomplish, in defiance of economic law and those of human nature, it will be a miracle. . . . But the [Farmers' National Grain] corporation can, perhaps, accomplish the destruction and elimination of the independent grain trade; it can create, backed by the Government, the greatest monopoly this country has ever seen; it can add tremendously to the cost of handling grains by hired men who hold their positions not by right of survival under a competitive system that eliminates inefficiency.

Here is the immediate problem for the millers. It is proposed to raise the price of wheat by government edict. There is to be no acknowledged price fixing. The law of supply and demand is not to be denied, but it is to be controlled, or control is to be attempted. Indications already point to an increased acreage. . . . So this is a time for the miller to watch his step and stick close to shore, a time to try to keep from losing money by speculation rather than trying to make it. So far as possible, he should keep himself where he cannot get hurt.

• Now For a Grave Issue

BUT the textile and milling industries and the independent grain dealers are by no means the only ones threatened by these busy "external forces" in all their infinite variety. Take that substantial industry whose function it is to rear monuments over those narrow cubicles to which we all must come. Certainly this industry, if no other, should be immune from such common perils as shrinking markets and obsolescence. But even here the forces of change are at work, the *American Stone Trade* informs us in viewing with alarm the

growing number of "no-monument" cemeteries.

"The cloud the size of a man's hand but a few years ago has become ominous and spreads apace," it declares and adds that

the line of attack employed by the no-monument cemeteries is avowedly directed at the destruction of the monumental industry and the deflection of the money represented thereby into channels of floral, horticultural and ornate decorations, deliberately destructive of the reverence and memory of the dead and of the family ties of love and affection that cluster around the visible memorial, together with the endearments of loving service in the distinctive preservation of the family lot itself.

Certainly no stony heart is this, crying in a monumentless wilderness of its own conjuration. With piety and pathos the editorial continues,

Forgetfulness in the place of tender memories, and the distractions of an ever-changing garden are offered in substitution for the sentiments that tend to build high moral character and worthy ambitions. The latter were undoubtedly the spiritual objectives of the institution of the American cemetery.



• Two Fingers Make a Sale

"WHAT constitutes a good salesman?" asks the *Paint, Oil and Chemical Review*, and then relates an anecdote of the late Judge E. H. Gary by way of an answer.

A well-known business man, it seems, was trying—rather unsuccessfully—to interest the United States Steel Corporation chief in the purchase of a large office building. As the interview neared a disappointing close the would-be seller switched the conversation from business to pleasure, saying:

"Judge Gary, I don't have time to see a baseball game unless it is a championship contest. Today the Yankees are playing the Giants. I have a box, and have invited a number of men you know to be my guests. Will you join us?"

"Day, I'll go," answered Judge Gary.

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No Blaw-Knox Building has ever worn out or become obsolete. Despite the many changes in production methods witnessed in the past 20 years, no Blaw-Knox Building has failed to keep pace. Flexibility of design and construction make them adaptable to every changing need. They may be enlarged, or at will and at low cost, altered. In use, Blaw-Knox Buildings provide every requirement of one story construction,—maximum safety from fire, weather-tightness, good daylighting and lowest maintenance. Roofs are insured for ten years. Doors, windows and ventilators of all sizes are available. They are the lowest priced buildings it is safe to buy. Let us give you complete details without obligation. Ask for catalog 1057.

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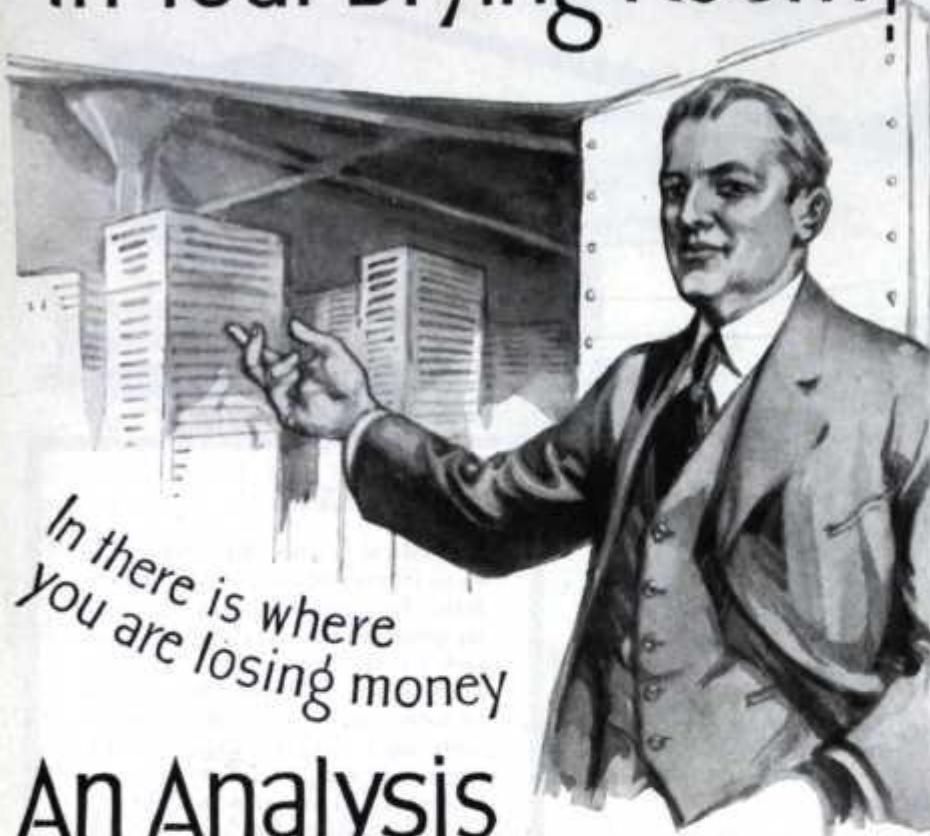
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Milano, Italy, 6 Via S. Agnese, 6

BLAW-KNOX BUILDINGS

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Is the Dividend Lost In Your Drying Room?



An Analysis May Be A Revelation!

Modern industry is witnessing a period of intense competition, probably without an equal in business history. Progressive minds, in tune with modern movements, realize that in the present competitive storm useless expenditures are the shoal waters of greatest danger, while modernization of wasteful manufacturing processes can point new channels to success.

No effort could be more fruitful in the discovery of potential losses than an analysis of your present drying process.

Old-time drying methods, relics of a less exacting business period, are used to dry many products which might well be dried by the new time and money saving Louisville Rotary Dryers. Results obtained with these dryers by many hundreds of progressive plants in speeding production and simultaneously cutting fuel costs and labor, often have been spectacular beyond belief.

Let Us Demonstrate — Now!

Proof of possible savings in your plant will come to you without obligation. Trained engineers, after a special study of your problem, will submit their recommendations for a more efficient dryer installation — if you need it — and put their conclusions in dollars and cents. It may be the best investment you have ever made.

Investigate! Is your drying room shrinking your profits? As manufacturers of drying machinery for forty years, we invite your correspondence. No obligation, of course, and your letter will receive our most earnest consideration.

LOUISVILLE
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455 Baxter Avenue, Louisville, Kentucky
Cable Address — LOUDRY, Louisville, Ky.

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after a moment's hesitation. "When I was a young man I played ball and caught behind the bat. I had no mask, nor protector, not even a pair of shin guards."

"I did the same," returned Mr. Day. "See, I've got a baseball finger out of it."

"I've got one too."

"Mine is worse."

"No, it isn't. Mine is," asserted the head of the Steel Corp., wiggling his crooked digit that Mr. Day might see. Mr. Day held up his and wiggled it in response. While the men were trying to convince each other, a secretary announced Charles M. Schwab.

"We must have looked like a couple of nuts," commented Mr. Day, "standing there wiggling our fingers; but, nevertheless, I sold Judge Gary a \$5,000,000 office building the next week."

Nothing is more effective than the establishment of a common interest between yourself and your prospective customer. Sometimes this takes brains and again it is pure luck, more often it is a mixture of both, because most good salesmen are quick thinkers and know how to take advantage of an opportunity.

• On the Ethics of a Suicide

"IF YOU steal property from an individual it is the depth of crime," asserts *The Insurance Field*. "If you steal from a mass it is something else again, especially if you have a contract and do it under some deduced meaning of the contract."

Getting down to cases, that of a youth who committed suicide following a succession of poor guesses as to stock values is cited. He left a note, the editorial continues

written in the noble throes of what he considered to be right-doing.

"Pay my creditors," he wrote, "out of my life insurance."

But at that moment he had no life insurance that he had earned. He left life with another theft from many to pay a few debts. He stole thousands as his last act.

It is legal perhaps. The theft, that is. But the suicide was a crime as the law views it. Yet he profited by the suicide, which rather gives the eye of law a squint. Under the common law nobody is permitted to profit by his own crime. But, under contract law, anybody can who will...

In this case the suicide proceeded by . . . deliberate steps to steal from his fellow-policyholders that outsiders might get the money.

His expectation of life gave him a well-defined contract term in which to contribute his honest share to the fund. He stole the time and so stole the money — perhaps legally. In equity he owed out of that insurance proceeds the expectation number of premiums to his fellow policyholders, as he owed the rest of his creditors. . . . The fraud is provable, as deliberate and complete.

Will the insurance company resist payment by claiming its expected payments,

5 Possibilities In Cost Reduction

- 1 Cut your fuel bill — possibly from one-third to one-half.
- 2 Cut down the number of attendants, in many instances to part time for only one.
- 3 Save 50% to 75% of valuable floor space for other purposes.
- 4 Speed up production by affording uninterrupted operation of plant, because of continuous delivery of dried material.
- 5 And — give you a better quality product.

thus protecting its other policyholders? It would make a noted and curious case. Dividends to honest policyholders will be affected to pay that theft. Although the loot is in plain sight, would the courts order its equitable distribution among all the claimant owners of it?

We leave the problem to learned counsel and the hard-headed conservators of funds against fraud and the exigencies of business and expense.

But the suicide was thief to the last—however gilded his intent.



• Our Cousins' Coins

OUR Canadian cousins, observes the *American Banker*, find a constant source of puzzlement in the reluctance of United States business men and many bankers, save those in the border cities, to accept tenders of Canadian currency.

They find this all the more perplexing in view of their own lack of similar prejudice against accepting United States currency. The explanation, of course,

is in the familiarity of the Canadian with the U. S. medium as compared with the unfamiliarity of the citizen of the United States with the Canadian bank notes. . . .

The Financial Post of Toronto relates the amusing incident of the Canadian who found a guide at Gettysburg preferring to take the Canadian's check to the bills of the Royal Bank, a \$900,000,000 institution, despite the fact that the bills would be redeemable at the regular discount and the check, if good, at discount plus collection charge. . . .

"One hundred miles from the border," this writer laments, "the Canadian money ranks with Russian rubles and German ex-marks in the minds of storekeepers and smaller bankers."

Commenting on the failure of efforts to work out a plan whereby Canadian currency would be acceptable at Federal Reserve member banks at current rates of exchange, it is added that at the present time

the general practice recommended by the Reserve Board is simply that of accepting Canadian currency from member banks for collection through sale at the prevailing rate of exchange by the Reserve banks.

But even if some more generally uniform plan were to be devised . . . not until a great deal more Canadian money was being circulated in this country . . . would this problem of the Canadian visitor be much different from what it is now.

We took a hand in equipping the Chrysler Building



William Van Alen,
Arch., N. Y. City;
Louis T. M. Ralston,
Const. Eng., N. Y. City;
Baker Smith & Co.,
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Silentvanes were chosen!

"World's Tallest" . . . and it called for some "tall" engineering to heat and ventilate it properly! It takes uncommonly efficient apparatus to make sixty-eight floors of assorted offices livable . . . and rentable.

So Silentvanes were chosen . . . which means that the air in the lobby, halls, and building proper will be as comfortable as the suites in the tip of the slender tower.

Sturtevant has supplied heating and ventilating equipment on most of New York City's large modern buildings . . . the Western Union . . . 40 Wall Street . . . New York Life . . . the Chanin . . . and now the Chrysler.

No job is too big . . . should special heating and ventilating apparatus be required, Architects and Engineers are cordially invited to take advantage of the valuable co-operating facilities of Sturtevant's Research Laboratories.



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HEATING-VENTILATING AND
POWER PLANT EQUIPMENT



The New Milestone in History

By G. C. ROUSSEL

General Manager, Houston Chamber of Commerce

IN THE last 20 years I have been a close observer of the most important movement in modern history—that of commercial cooperation and organization—and I have also had a grandstand view of one of the most remarkable cases of industrial expansion that has ever occurred in the United States. For these reasons my job has been one which I would not have traded for that of any other man living.

I believe the most interesting movement of modern history is not taking place in the field of politics, national or international, but in the field of business.

The fate of our civilization has been lifted completely from the hands of rulers and diplomats. Their words are still loud and impressive although they actually stand naked of power. All nations have come to be governed by commerce, and business men collectively are the only real rulers that exist today.

Although modern historians are concerned almost entirely with writing about it, this movement has not as yet been named. It might well be called a cooperative movement in commerce. Its beginning could scarcely be placed farther back than the dawn of the twentieth century.

In that brief time it has wrought notable changes in the life of all civilized countries. It has done more than any statesman, any invention, any commission or diplomatic exchange to promote understanding and sympathy between peoples widely separated by custom and background. It stands today as the most hopeful of all instruments for the preservation of world peace.

Ideal and opportunity

NATURALLY, the crux of this movement is the association of business men, formed for the purpose of encouraging a better, saner, more liberal and civilized conduct of domestic and international trade.

However practical and workaday the modern chamber of commerce may appear, there is behind it one of the finest ideals that has ever made its ap-

pearance in human affairs, and few other institutions are given so fine an opportunity to combat the instincts of greed, selfishness and shortsightedness which have precipitated most of the great disasters of history.

Only secondarily is the chamber of commerce an agency for the promotion of personal or civic gain. Its primary function is that of education. With enough chambers of commerce in operation throughout the world (properly conscious of their true significance and purpose) the last soldier could be safely disarmed and the last battleship melted down and turned into machinery for the advancement of human comfort, security and happiness.

The larger significance

OF COURSE, I do not mean to say that all of our present chambers of commerce exemplify this spirit at all times. Like the individual who seeks instinctively to attain a lofty ideal, the modern commercial organization sometimes is led astray by false and shallow considerations.

Occasionally there have been jealous and internecine rivalries within the ranks of the chambers themselves. But 20 years of intimate contact with the chamber of commerce movement—which covers by far the greater part of its life—has convinced me that the men connected with it, as a class, are fully conscious of its larger objective significance.

These, at any rate, are the thoughts that come to me when I look back over the daily events of the Houston Chamber for 20 years. And they move me to repeat that I would rather have been doing my work than any other work in the world.

Of course, the question of temperament enters into the matter of whether or not you can see romance in service of this kind. To the young man bent upon selling his efforts for personal wealth and glory, the work could surely not be recommended. Somehow, one does not associate such ambitions with the best type of commercial organi-

zation official, any more than he would with the social service worker, the old country physician, or the foreign missionary.

Always it is the thing accomplished that matters, not the individual; and I believe it is generally true that no single individual can properly take credit for any major project carried out by a chamber of commerce. Essentially they are the fruits of team work.

This, to be sure, is coming close to the spirit of universal brotherhood. And just there, I think, you will find the reason why many men of fine character and mentality choose to remain, year after year, in this work, ignoring opportunities to become far better known, or far more wealthy, in other lines of endeavor. There is a fascination about loving and helping your fellow man, whether you do it in church or in front of a desk.

Also this work—because it is new, no doubt—remains full of unexpected and sudden demands which make it decidedly an intellectual adventure. No idea could be more erroneous than the one that only a business man can make use of a chamber of commerce. As a matter of fact, it is a magnet that attracts people from every conceivable walk of life.

Many seek counsel

IN THE past 20 years I have been asked for advice on hundreds of thousands of personal matters—often so personal as to become decidedly embarrassing—and many of which it would have taken a Solomon to decide. The insight they have afforded into human nature would have been priceless to an O. Henry or a De Maupassant.

No by-laws have ever been assembled for the guidance of a commercial organization that has set forth either directly or by inference rules that would cover all situations.

So much has been written about the part played by the Chamber of Commerce in Houston's phenomenal growth that I scarcely need try to add more.

If I were called upon to select from



The figures above show a few of the many industries and the machinery manufacturers that use SKF anti-friction bearings.

IN EVERY INDUSTRY — PREFERRED

LOOK at the illustration of this advertisement again... nine representative industries... and in each **SKF** stands supreme. Forty-eight American railroads use **SKF** Bearings. Sixty-five airplane or aircraft equipment manufacturers use them. And in all the others, the manufacturers who build the machinery upon which these industries depend select **SKF**.

Nothing Is Apt to Cost So Much As the Bearing That Cost So Little

Why? Certainly not merely because **SKF** is the "Highest Priced Bearing in the World." Certainly not merely because it IS high-priced.

... But because the bearing-wise engineer insists upon getting the performance—the dependability—the real economy of "The Highest Priced Bearing in the World."

SKF INDUSTRIES, INCORPORATED

40 East 34th Street, New York, N. Y.

SKF

THE HIGHEST PRICED BEARING IN THE WORLD

THE DOORWAY OF AMERICA'S FREIGHT ELEVATOR TRAFFIC



PEELLE Freight Elevator DOORS

Mergers!

Foreign Markets!

Insurance!

Transportation!

Chain Stores!

Advertising!

Business Legislation!

Aeronautics!

THESE are only a few of the important business subjects covered in NATION'S BUSINESS during 1929. An index that makes this material available for quick reference is now being prepared. A copy will be furnished to you on request.

NATION'S BUSINESS ★ Washington
D. C.

20 years of service the one event which best enforces all I have said about the idealistic nature of a chamber of commerce, I think I should offer the part played by the Houston Chamber in building the Ship Channel. In every campaign to vote bonds for this work, the Chamber has taken a leading part, shouldering the task of reaching voters personally and "selling" them on the community benefits to be derived from such a waterway.

None of us who had a part in this work can travel the channel as it exists today without feeling a sense of personal pride and satisfaction. Yet no one individual has ever been glorified because of his contribution to that cause. The great port stands as a mighty testimonial to the faith of a few men, who transmitted that fight to others.

I am proud to feel that I had a small share in this effort. Such feelings are comforting, and remain long in a man's mind—longer than gold can ever remain in his pocket.

Progressive changes

THE 20 different administrations that have functioned during my connection with the Houston Chamber of Commerce did not tax my adaptability to an appreciable extent, yet there were many changes made in policies and administrative measures in order properly to provide for and to discharge those obligations that became more numerous and exacting with the growth and expansion of the community it was created to serve.

During my entire period of service all subjects that could not properly be referred to one of our established departments have been cleared over my desk and the contacts, both personal, by letter, and telephone, have been innumerable. However, one soon acquires the habit of stuffing employment into odds and ends of time, and so it has been with me.

If I have attained any degree of success in commercial organization work, I must attribute it to three cardinal rules that I adopted I know not how many years ago; namely, patience, sympathy and understanding.

Let me explain that it has never been my ambition to hold a high official position with the Chamber of Commerce. For the high official I believe the tenure of office is about three years and there is only one Houston. Also I believe in the organization I am serving and I have the highest regard for its ideals. I have found my twenty-year employment in it quite pleasant.

Uncle Sam's Book of the Month

DEAR MR. EDITOR:

My husband, Mr. Slocum, takes your magazine and I do enjoy the pictures. What I miss is a literary page.

We of the Poplar Glen Ladies Club put on book reviews every now and then and when we can't get the minister or the high-school teacher to do them for us, why we do them ourselves.

My turn was last Friday, and I just picked up the government publications that have been accumulating around the house since the war. Our Congressman is very obliging about sending them. Well, you would be surprised at how the ladies took to the reviews I put on.

Now, I wonder, Mr. Editor, if you realize how varied and interesting and voluminous a literature the Government puts out. It already has the biggest printing office in the world, and they are building it bigger. This is shown on a souvenir postcard I had the other day from our Congressman's wife.

Yet how little attention we all pay to the Government's books, except the *Congressional Record*. I suppose it is read some. Mr. Slocum seems to like it, but I don't see much in it, except now and then a joke. And I don't know that I would recognize that if it wasn't labeled "laughter."

Help for the Government

NOW we of the Poplar Glen Ladies Club have made up our minds to support the Government in its publishing business by reading its literature. I think a big magazine like yours could help a lot by starting the movement in the chambers of commerce.

These government publications are so instructive. Take this little booklet entitled "Book Lice or Psocids." The booklet is only four pages long, price five cents a copy. Not many, I am sure, but could afford both the time and the money to read it.

The popularity of the work is established by the fact that it ran two editions in two years, though I believe there has been no new edition since 1922.

To begin with, on the cover is a picture of an adult book louse. This portrait is 50 times life-size and so there is no difficulty about distinguishing his features.

The book louse or psocid, the author

COSTS CAN BE REDUCED

JUST as hundreds of manufacturers in many different industries have reduced production costs you can do the same.

Eighteen concrete examples showing how YPS Redevelopment Engineers have helped cut costs will be found in the new book, "Adventures in Redesign," one page of which is shown above. And this book tells, too, how weight has been reduced, breakage eliminated,

"Press it from Steel Instead"

strength increased, assembling simplified, eye value added and new markets opened up with Pressed Steel.

Without the expenditure of a single dollar — without the slightest obligation — you can easily take advantage of this YPS Cost Cutting service. Send for this "FACT" book today. Pin the coupon below to your business letterhead.



THE YOUNGSTOWN PRESSED STEEL CO.
302 UNIVERSITY ROAD, WARREN, OHIO

Please send me a copy of your new FREE book, "Adventures in Redesign."

Name.....Title.....

Business that Endures!

Back in the minds of all leaders in business—deep down in their hearts—is the question: "How long will it last—will it endure?" And always the satisfying answer is the answer to another question: "How well, how *truly* does it serve?"—an answer that is moral rather than material—an appeal to pride in character rather than gain or profit.

Business that endures is labeled today by the Character of its leaders. It expresses itself materially through all its human conduct—its enlightened management, its modern practices, its law of order, and the justice of its control.

In the forming and voicing of the methods and means through which enduring business expresses itself, Modern Accountancy justifies the belief in the helpfulness of its service—an enduring service to business that endures.

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"THE NEW BUSINESS WORLD"

Conducted by Merle Thorpe, Editor of *Nation's Business*, every Saturday night at 8 P. M. (Eastern Standard Time) over a National Broadcasting Company hook-up including the following stations:

WEAF—New York
WEEI—Boston
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WSAI—Cincinnati, Ohio
KSD—St. Louis, Mo.
WDAT—Kansas City, Mo.
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WOW—Omaha, Neb.
WRVA—Richmond, Va.
WBT—Charlotte, N. C.
WPFT—Raleigh, N. C.
WJAX—Jacksonville, Fla.
WMC—Memphis, Tenn.
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KLS—Salt Lake City, Utah

WSMB—New Orleans, La.
KPRC—Houston, Texas
WOAI—San Antonio, Texas
WKY—Oklahoma City, Okla.
KTHS—Hot Springs, Ark.
KOA—Denver, Col.
KGO—San Francisco
KECA—Los Angeles, Cal.
KGW—Portland, Ore.
KOMO—Seattle, Wash.
KHQ—Spokane, Wash.

says, "runs haltingly," or, as I imagine we would say, it limps. From that it might be supposed that book lice can be overtaken if one is determined. However, unless they are in large numbers, we are advised not to worry about them. Despite this, the author does point out one case in history where the psocids were something to worry about. A family had a six-months-old husk mattress which you could not stick a pin in without impaling a book louse.

These interesting little insects are called book lice because they often are seen on books, and resemble chicken lice.

Another book, by the same author, which we found very delightful was called "Reindeer Recipes." The book has an artistic cover. There is a blank space which is meant for ice, and a space covered with forked limbs, which must be the top of the deer's antlers. You can see in your mind the whole deer standing by the frozen ocean, if you have imagination enough to piece him out from just a section of horn.

These reindeer, it seems, were introduced into Alaska to improve the diet of the natives.

Now the natives have more reindeer meat than they want, and the Government would like to send us some, which they could do if dumb people would understand how good reindeer is. That is what this book is designed to make them do.

There is also a lovely picture of roast stuffed shoulder of reindeer, and a larded rounder of reindeer, and a boned rib of reindeer ready for stuffing, and of boned rolled chop of reindeer wrapped with bacon.

Should be in every home

THE price of this valuable work of eight pages is only five cents and I think it should be in every American home, at that price.

Another most interesting and useful publication is on the "Care and Selection of Garden Hose." In this attractive publication we enter at once into the spirit of the writer, who is honestly trying to safeguard the buyer when he goes to select a garden hose.

The buyer is all too apt to get confused when he goes to the store and sees so many kinds, and ends by just going off with the one that looks best. This principle of selectivity is not recommended by the writer.

Indeed, he hoots at the haphazard methods of the average person, who is influenced by price, appearance or a familiar trade name, instead of adher-

LINCOLN BUILDING
42nd Street at Madison Avenue, New York
53 Stories, 1,000,000 Sq. Ft.
Built in 275 Working Days



Millions for Construction

Railroads, utilities, manufacturers, institutions, building owners—
large and small—push programs for new construction

The new year—like every other year—will reward low-cost operation and maintenance. Out-of-date facilities will be modernized or scrapped and replaced by new plants. Construction of this character is now being planned and projected at a rapid pace. A few of the many clients for whom we are now doing a large volume of construction and engineering are the following:

American Can Company
Buenos Aires Subway
Chesapeake & Ohio Railroad
Colgate-Rochester Divinity School
Dominion Coal Co., Ltd.
Eastern State Penitentiary (Pa.)
Girard College
Gulf Refining Co.
Lincoln Building Corp.
Louisville & Nashville Railroad

N. Y., Rio and B. A. Air Line
National Tube Co.
Pennsylvania Railroad
Pittsburgh Plate Glass Co.
San Antonio Public Service Co.
St. Marks Hospital (N. Y.)
United States Government
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Vicksburg Bridge & Terminal Co.
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Our experience in the construction—with or without design—of industrial, power, railroad and general building work is available to those planning new facilities or extensions during the coming year.

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MAXIMUM RETURN TO CLIENTS PER DOLLAR INVESTED

There's CORK between Goodyear and the Weather



Both main building and weave shed roofs are adequately insulated... with Armstrong's Corkboard...

THREE'S plenty of cork insulation on the main building and weave shed roofs of the Goodyear Tire & Rubber Company at Rockmart, Ga. Plenty in the amount of surface protected, totalling 142,000 square feet of Armstrong's Corkboard; yes, plenty in the adequate $1\frac{1}{2}$ " thickness chosen by this company whose slogan is "the greatest name in rubber."

The single-layer $1\frac{1}{2}$ " thickness of Armstrong's Corkboard is plenty because it means adequate insulation for the Goodyear plant. So there's no danger of moisture condensing on cold ceilings, causing ceiling drip, and damage to both materials and machinery.

Employees are also protected. Because heat leakage is reduced, room temperatures are more comfortable, winter and summer. The health and efficiency of workers are guarded. Fuel dollars are saved. Instead of escaping through

the roof, furnace heat warms the interior.

In all plants wasted fuel dollars, condensation troubles, and inefficient working conditions can be ended by proper insulation of roofs. And in hotels, office buildings, schools, and other public buildings. Adequate roof insulation is easy to lay when you use Armstrong's Corkboard since this insulation is made in thicknesses from $1\frac{1}{2}$ " to 4" inclusive. Armstrong Cork & Insulation Company, 903 Concord Street, Lancaster, Pennsylvania.

**Armstrong's
Corkboard
Insulation**
for the roof of every building

ing to the high principles laid down in the work.

It is a singular coincidence that garden hose, like Gaul, is divided into three parts. The first garden hose described is "wrapped," with a layer of cotton between two layers of rubber. The second is the "braided," which is the same as wrapped, only it goes through a braiding machine. The third is the common or garden type of hose.

Now, having got these fundamental facts established, the writer advises that care and consideration should be given when buying hose. Price, he says, should never be a determining factor.

The instructions about the care of hose are very interesting and plain. In fact, most of them are just what I tell Johnny when he gets to fooling with the hose. I scold him about getting it kinked up so, which the writer says is bad for the hose. He says also that it is bad to leave the hose in the sun, or across the driveway for the car to run over, or to drag it across broken glass.

Making suits for Johnny

ONE of the most engaging books of this season is called "Suits for the Small Boy."

The author maintains it is all a mistake to suppose that our Johnnies are careless about their appearance. They get fidgety and shy if their clothes are not right, she says, even as young as three years.

I never noticed Johnny fidgeting any more in his down-and-out clothes than when he was dressed up. He was always fidgeting. But these experts get to know more about little boys than just ordinary parents.

"Smartly masculine," is the refrain of the author in telling how a boy should be dressed. No frills and furbelows, according to this writer. She says it is all a mistake that clothes must be fussy in order to be beautiful, and she illustrates by this elegant sentiment:

"Simplicity is not the plainness of stupidity, but the intelligent omission of the superfluous."

The whole work is most attractively illustrated by pictures of little boys dressed up and smiling, too sweet for anything.

And now in closing these reviews of only four of the Government's books, I might say that I have chosen them from the works of the Department of Agriculture and the Bureau of Standards. I have some very interesting new authors whom I would like to introduce in my next.

—MARTHA MARY SLOCUM.

Modern KNIGHTS of the Round Table

*successfully
battle
costs
with*

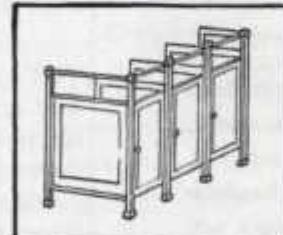
PRESSED STEEL



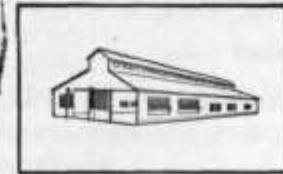
... Redeveloped
pressed steel
Hoffman Heater,
assembled weight
134 pounds.



Old model Hoff-
man Heater con-
taining 9 large
castings. Assem-
bled weight, 244
pounds.



Steel toilet partitions are light in
weight, speedily erected and
absolutely sanitary.



Steel buildings save money, erec-
tion time, upkeep—and provide
more usable space.



Save with Steel.

WHEN departmental heads gather round the board . . . when losses are scanned . . . sales on the wane . . . overhead seriously discussed—pressed steel, in many instances, is saving the day.

Time and again, when bulky parts or products are devouring profits due to heavy materials, excessive machining, assembling and freight costs, the pressed steel engineer, by redesigning the article in flat rolled steel, is plugging the leaks.

If your product is heavy and cumbersome, pressed steel will reduce the weight, sometimes by 50% or more. If competition is keen, pressed steel cuts costs all down the line, offering greater price flexibility to meet changing conditions.

WEIGHT SAVED...! MONEY SAVED...!

By changing to Pressed Steel The Hoffman Heater Company saved 45% in weight of the heater shown to the left. Costs were reduced all around permitting lower retail prices. Put the test to your own products—information on Pressed Steel can be had by writing to Trade Research Division, National Association of Flat Rolled Steel Manufacturers, Terminal Building, Cleveland, Ohio.



When constant temperature is important-

IN ORDER to operate the weaving machines in this big eastern silk mill a room temperature of 70° was necessary. Below that, contraction in the looms meant broken needles. As much as two to three hours was lost each working day during the winter, with old, slow heating methods.

Now, with standard Modine Unit Heaters, thermostatically controlled, constant temperature is maintained. Modines deliver the heat down, keep it down. Start heating instantly. Shut off instantly. Models 701 above weigh only 130 lbs. Suspend from the stepline. Replace over two tons of pipe coil or cast iron radiation. Our engineers will study your heating or drying problem and offer recommendations. Write today for complete information.

MODINE MANUFACTURING CO.

Manufacturers of

Unit Heaters — Domestic Copper Radiation
— Automobile Radiators

1710 RACINE STREET

RACINE, WISCONSIN

London Office: S. G. Leach & Co. Ltd.,
26-30 Artillery Lane.



Modine

unit HEATER

A
MODINE
Product

"Let's Make a Survey—"

By JOHN W. THOMPSON

EXECUTIVES of the Singing Bird Seed Company were scratching their heads. Their market was slipping. They were getting out of touch with their buying public. Something had to be done.

Singing Bird Seed was guaranteed to make a canary sing. Yet it was not taking hold. The officers agreed to go out and learn from birdseed buyers just what the consumer thought about seed; why she used the brand she did; and other vital facts needed to put selling on a scientific basis. In short, they agreed, "Let's make a survey—"

The officers of the company, all agog over this new plan, set out to find the agency to make this investigation—a survey that they earnestly believed would be the dawn of a new day for the canaries of America.

After much search and consideration, an advertising agency was selected to make the investigation and to derive from it the plan whereby more Singing Bird Seed could be sold.

Launching the study

THIS agency, elated over its new birdseed account, prepared to find out the consumers' reaction to birdseed and more especially to Singing Bird Seed.

The plan involved sending investigators from house to house in different sections of town to learn from housewives the actions of the birds. One man was even to be sent to New York City to investigate. He had not been out of the office for some time and needed an invigorating trip anyway.

The questions were designed to obtain every important fact:

Do you have a canary? . . .

What do you feed it? . . .

Do you ever use Singing Bird Seed? . . .

If not, what are your objections to it? . . .

(If the party being interviewed has not yet slammed the door, the interviewer goes on:)

Where do you buy birdseed? . . .

Do you buy by brand or just say "birdseed"? . . .

Does your canary sing for Singing Bird Seed? . . .

Armed thus, the boys went forth and tackled the job with feverish determination.

In the final analysis of the survey,

HOW *your budget* for salesmen's cars can buy the **MOST MILES**

REO

will give you the most miles per dollar of any make of car you could own—with the one possible exception of Ford.

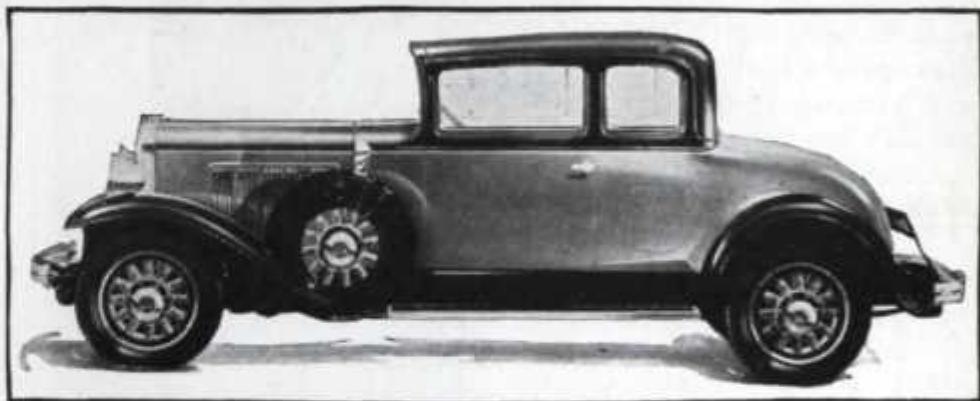
That may sound like a sweeping statement, but it can be proved to your complete satisfaction.

Why is Reo so economical? Because Reo is *good* for 100,000 miles. That isn't just advertising talk, either. Look up the most recent investigation of long life in motor cars made a few years back. This impartial study based on government registration figures, shows that Reo outlasts all other cars of American origin and manufacture—regardless of price. And since then, Reo has added to the Flying Cloud important long-life features.

LONG LIFE—AND PERFORMANCE!

And Reo performs just as amazingly as it lasts. Reo will climb from zero to 70 in 26 seconds flat. Brakes? Reo's brakes will stop you in half the distance the strictest traffic laws require. And they'll stop you without side-sway or skidding, so perfectly are they equalized. They *stay* equalized, too.

Reo's beauty lasts, too. For Reo has the conservative smartness you usually find only in the most expensive cars.



The REO FLYING CLOUD MODEL 20 COUPE EQUIPPED WITH REO SILENT-SECOND TRANSMISSION . \$1595. Sport equipment and spare tires extra. Other Reo models, \$1195 to \$1945. All prices f.o.b. Lansing, Mich.

No radical yearly changes. The Reos you buy today will still be distinguished looking cars three, four years from now.

MOST MILES PER DOLLAR

Reo is economical on gas and oil—economical in repairs and upkeep. But your biggest saving will come from Reo's remarkably long life. Your salesmen can get from three to five years' service from their Reos. This saves the heavy first-year depreciation suffered on short-lived cars.

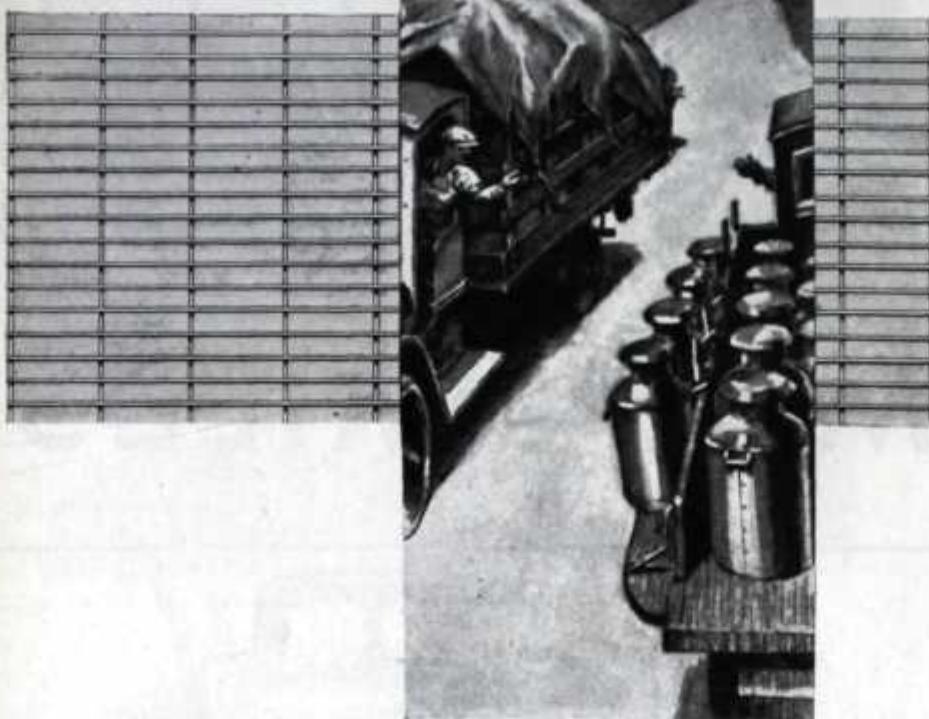
Yes, Reos will give you the most miles per dollar—and on top of that they are faster, more comfortable, and better looking than any so-called inexpensive car.

Your Reo dealer will gladly give you both a demonstration and detailed figures showing how much money Reo can save you. Call him up today.

REO

FLYING CLOUD
GOOD for 100,000 miles

REO MOTOR CAR COMPANY, LANSING, MICHIGAN



The Country by-road is now a highway!

AND the old fashioned horse and buggy is almost a thing of the past. With its passing has come the need of better roads . . . concrete roads reinforced to withstand the ravages of modern motor traffic.

Wickwire Spencer Steel Company has kept apace with the road development.

By producing high tensile wire that is uniform, welding it into fabric and distributing it throughout the world it has made its contribution to better and more economical transportation.

Over a quarter of a century ago, Clinton Welded Fabric was given to the engineering world. It was the first welded fabric for concrete reinforcement. Architects and Engineers have learned to rely on the strength and uniformity of the welded joint. So successful has it proven that, today practically every fireproof building, road, reservoir, levee and other concrete construction has this type of reinforcement built into it as an integral part.

WICKWIRE SPENCER STEEL CO.

43-49 East 42nd Street

New York City

Worcester

Chicago

Buffalo

Atlanta

Cleveland

San Francisco

Los Angeles

Seattle

Portland

WICKWIRE SPENCER

MAKE UNIFORM

Wire of all kinds

Wire Rope

Wire Reinforcing Fabric

Clinton Wire Lath

Wire Screen Cloth

Wire Poultry Netting

Chain Link Wire Fence

Wire Springs & Spirals

Wire Kitchen Utensils

Wire Bathroom Fixtures

Wire Grilles & Cages

Wire Diamond Mesh

Perforated Metal Grilles

Perforated Metal Screens

Perforated Centrifugal Linings

Wisco Card Clothing

Wisco All-Steel

Radiator Furniture



WICKWIRE SPENCER

WIRE PRODUCTS

When writing to WICKWIRE SPENCER STEEL CO. please mention Nation's Business

when all the results were tabulated, it was found that 964 doorbells had been pushed in an effort to solve this tremendous problem. Of the 964 doorbells pushed, 351 were not at home or knew better than to come to the door. The bell had been answered in 613 cases. These 613 people were divided as follows:

145—didn't get the idea of what it was all about.

92—couldn't understand English.

272—didn't have a canary.

27—slammed the door.

The remaining 77 calls were apparently satisfactory. Out of 964 "contacts," the survey disclosed 77 people who were willing to give "answers" to the questions. As the report was written:

"Our men have made 964 calls to determine the viewpoints of people toward bird seed and in particular Singing Bird Seed." And the report goes on to tell that 60 per cent say their canaries do not get sick; 21 per cent say that they never use Singing Bird Seed, etc."

The value of that report is apparent!

The evasive consumer

BUT LET us more seriously consider some of the handicaps in interviewing consumers.

First, many will not come to the door.

Others will not confide in strangers.

A third group will, in an effort to show their importance or knowledge of the subject, misrepresent the real workings of their minds, if any. These people may buy entirely differently from what they said they would.

The proper time and place to see consumers and to get accurate information would seem to be when they go to a store to buy birdseed. A person interviewed by a stranger has not her usual buyer's state of mind. If the same person is buying birdseed in a store there is no doubt that she then has a buyer mind.

What good, then, may be expected of her answers to an interviewer's questions? She gives acceptable answers that are tabulated along with the others similarly obtained. They make as a total, a pleasing report and one that apparently points a way to more sales. Things are found out that were not known to exist before and possibly do not exist.

So called facts are obtained from buyers and prospective buyers of a product at a time when they are not in a buying mood. They are on the stand, so to speak.

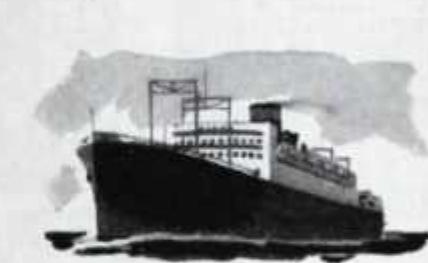
Surveys must be made. Let us not be-

SEE FOR YOURSELF
THE AWAKENING MARKETS OF
THE WORLD 



The executive whose vision must take in tomorrow as well as today, is vitally concerned with the ingress of American capital and the development of American markets in all parts of the world.

And few, perhaps, realize that a trip Round the World may be made in as little as 85 days. This allows time for a visit in 18 ports of 11 countries . . . Kobe, Shanghai, Hong Kong, Singapore, Penang, Colombo and many others . . . and if you have the time you may stop over where you like, as long as you like, and continue your trip on another President Liner as you



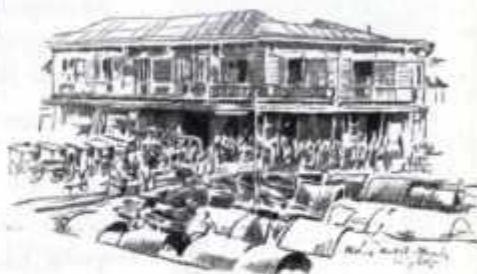
valuable holiday you ever took. Restful days at sea, interesting contacts . . . 85 days of observation and ideas . . . visit your office by radio and never hear a phone call!

Fortnightly sailings from New York, Boston, Seattle and Victoria, B. C. Weekly sailings from Los Angeles and San Francisco. A request on your letterhead will bring complete information.

All staterooms are large, outside, with beds (not berths). Deluxe Liners, luxurious public apartments, outdoor swimming pool, world-famed cuisine. First Class only, Round the World, as low as \$1110—with private bath \$1370. A trip of 110 days for \$1250 takes you to 22 ports in 14 countries.

would on another train. Your ticket is good for two years, and President Liners sail from United States ports every week of the year.

Such a trip may well be the most



D O L L A R S T E A M S H I P L I N E S
A N D
A M E R I C A N M A I L L I N E

TEAR THIS OUT AND HAND IT TO YOUR SECRETARY:

Please Note—
Write Dollar Lines
or Amer. Mail
for information
on World
Cruises ✓

Saving \$15,000 per Year



MANAGEMENT Should Give More Attention to HANDLING . . .

LIFTING . . . carrying . . . piling two-ton loads of tin plate . . . day after day . . . year-in-year-out . . . in the plant of an Ohio steel company a sturdy electric truck is performing work that once required the combined effort of 14 men.

Allowing \$4.00 per day for depreciation charges, electric current and repairs, this Elwell-Parker Tractor is making a saving in labor cost of more than \$50 per day . . . over \$15,000 per year.

Savings of such magnitude have a direct bearing on profits and are worthy of consideration from the highest executive management.

Without obligating yourself in any way, you can draw on Elwell-Parker's accumulated experience of 24 years in the design and manufacture of electric industrial trucks. At your request Elwell-Parker Engineers will make a survey of your plant. They will recommend from a complete line of 18 standard types of electric trucks, tractors and cranes, the models best suited for your requirements.

Those in your plant interested in material handling are invited to write for complete information on E-P Tractors.

On an Elwell-Parker Tractor, the power can be applied to the wheels before the brake is released. A fully loaded Tractor can thus be stopped and started on a ramp without danger of slipping back. Your safety committee will appreciate the importance of this advantage.

The Elwell-Parker Electric Co.



Designers and Builders of Electric Industrial

Trucks, Tractors and Cranes for 24 years.

4251 St. Clair Avenue, Cleveland, Ohio

Tractors

little them for that is as close as we have been able to get to the people who buy our goods. But the results of many surveys may well be belittled.

It is entirely possible that many advertising campaigns, attributing their success to the investigation that was made before the advertising was written, are successful in spite of the investigations. Advertising is powerful, it is powerful enough to absorb many leaky consumer surveys.

A constructive criticism is a noble thing—and so the following is suggested. Do not ask so many questions of consumers, *but watch them*. Watch them buy. Meet them at the place where the sale is decided and where their mind is on a purchase. Don't talk to them at home when they are thinking about what to have for dinner or how to meet next month's rent.

Sell birdseed over the counter. Then you will get first-hand knowledge of why they don't buy more of yours.

A Prophetic Dinner

FOUR men gathered for dinner in a private home in Washington, D. C., recently. All were identified with the great meat packing industries. They had met for the ordinary purpose of eating, yet the food of which they partook was unusual.

Cantaloupe, steaks, fresh asparagus tips, green peas, and ripe strawberries. Nothing unusual about that dinner, you say, but wait—

As the men sat down, the chill wind of early winter whistled past the windows. The steaks were delicious, the fresh peas and asparagus tips and strawberries fairly melted in the mouth.

Still, you say, there's nothing unusual about such a dinner. What's the point.

These four men were dining far ahead of the present. They were eating a dinner such as you and I may eat a few years hence. The cantaloupe had been picked in early summer; the peas and asparagus in the spring; the strawberries months previously—everything on the menu was out of season save the steaks, which were two years old.

The entire dinner was a product of the new quick-freezing system of preserving foods. The flavor of the steaks had been preserved intact. The sun-given flavors of the vegetables and fruit were the same as when first picked. All was made possible by science's latest contribution to the food industry.—

ALFRED P. RECK



Charles Stiles of Chicago, is one of 3,000 "Y and E" Men covering every city of the United States. These men have ideas that will help your business. Ideas that are yours free—will you use them?

Have you room for an IDEA in your business?

YOU won't have to enlarge your office to take advantage of this idea. Although later you may be forced to as your business grows. All you have to do is call your local "Y and E" Man on the telephone.

For fifty years "Y and E" Men have been furnishing progressive ideas to executives. Ideas that cut down overhead. Ideas that mean a step forward in increased office efficiency. For your "Y and E" Man is more than a salesman—he is an office planner. And his experienced advice is free of charge. Let him show you "Y and E" Steel

Desks . . . soft finishes that gleam like natural wood—yet won't warp. Staunch construction—all steel. Drawers that open and close with a touch. And a generous working top of linoleum, brass-bound. You'll like the "Y and E" Steel Desk the minute you set eyes upon it. And years of working with it will not change your mind!

1880



1930

"Foremost For Fifty Years"

YAWMAN AND ERBE MFG. CO.

328 JAY STREET, ROCHESTER, N. Y.

Canada: The Office Specialty Mfg. Co., Ltd., Newmarket, Ont.
Export Dept. 368 Broadway, New York, N. Y., U. S. A.

How Business Can Use Census Data

By L. S. HORNER

Chairman of the Advisory Committee on the Census of Manufactures
President, Niles-Bement-Pond Company

THE demand of business executives for information on individual industries is constantly increasing. More facts about more articles produced are wanted more promptly than ever before.

Recognizing this desire, Secretary of Commerce Robert P. Lamont appointed an advisory committee to make known the desires of business men for statistical data coming from the Census of Manufactures, which is now under way. This committee has been in constant contact with the Bureau of the Census. It has made recommendations on many subjects and, almost without exception, these have been adopted.

Of outstanding importance among these recommendations has been that devoted to the desirability of acquainting manufacturers with uses to which census data may be put and of impressing upon them the importance of making accurate and prompt returns. This campaign gives evidence of fruitful results. We can also expect greater co-operation from manufacturers than ever before. We also can expect from the Bureau of the Census more prompt and significant data than at any preceding census.

To what use can these data be put?

A vast store of facts

WE have been accustomed to consult reports of the Census of Manufactures if we desired information on the growth of manufacturing in this country as a whole or with regard to the fortunes of individual industries. Lately interest has been directed particularly to the facts on individual industries. The wealth of these facts is indeed great. The Federal Government has been collecting these data since 1849, and its information on industrial growth is equaled by no other country.

For example, turning casually to the report of the census of 1909, 20 years ago, I was attracted by the figures for such industries as the whip, phonograph, mineral and soda waters, and silk.

I find that in 1909 the whip industry

was of no small consequence, there being 57 establishments employing 1,546 wage earners. As late as 1909 the industry was still growing, but by 1927, the number of plants had dwindled to seven and the wage earners to 90.

On the other hand, the mineral and soda water industry employed but 13,000 wage earners in 1909 while, by 1927, it employed 27,000 wage earners and the value of its products had increased to 242 million dollars as contrasted with 44 million dollars in 1909.

The phonograph industry's production in 1909 was 12 million dollars; and, though past its heyday as such in 1927, its products in that year were valued at 95 million dollars.

Similarly, the value of products of the silk industry, 200 million dollars in 1909, grew to more than 750 million dollars in 1927.

These figures are of value to those engaged or about to engage in allied industries or in industries affected by the rise or fall of production in these fields.

Census statistics for geographical areas offer another important field of interest. In the past, calls for these statistics seem to have come most frequently from those aggressive communities that are proud of their smokestacks and are campaigning for more.

The Bureau of the Census has endeavored to comply with this legitimate demand and has published statistics for cities and has given out information by individual industries within the boundaries of the more important cities.

There are three substantial uses to which these figures may be put. They reveal movements of industry throughout the country by disclosing new centers of manufacturing and relative decrease in the importance of already established centers, together with facts bearing upon the geographical location of individual industries and changes therein.

They provide individual communities with facts pertaining to industrial growth or recession in their communities. They provide data of value in making market surveys.

The problems of molding the figures of the Census Bureau to provide the data for these uses is no small one, and there are some real obstacles that have not yet been overcome.

The census law is strict in its provision that the Census Bureau must not report statistics for individual companies nor publish figures which by any mathematical gymnastics can be made to reveal the data for an individual company.

Real facts not disclosed

THIS provision, though wise and sound, unfortunately makes it impossible for the census to reveal facts as they are. If, for example, one wishes to know something of the industrial status of Albany, N. Y., he can find out readily that plants within that city's boundaries employed 9,000 wage earners in 1927. He will find also that the printing industry employed 1,000 of these wage earners; the shirt industry 1,000 more; bakeries, nearly 600; foundries and machine shops, 262. Then he will discover that 6,000, or two out of three wage earners, were employed in plants of unassorted kinds lumped together under the classification of "All Other Industries."

There is still another difficulty. Manufacturing seldom takes into account the geographical boundaries of a city. It spreads out into the environs. Consequently, statistics for Dayton, Ohio, or Detroit do not reveal at all accurately the extent of manufacturing operations in those communities.

The problem of establishing around a large city the boundaries of its industrial or metropolitan area offers a real difficulty.

However, these obstacles can be moderated, and the Advisory Committee is working with Census Bureau officials to this end.

Manufacturers and business men generally should take a greater interest in this important statistical activity of the Government, for in the long run they will reap the benefits.



THE Great 'Shake-out'

The box testing drum will shake out many of your box and crate troubles. Poor design, weak construction, improper packing, damage to contents—all resulting in customer ill-will—these will be revealed quickly by the testing drum. ... Their elimination is an everyday matter for our box engineers who have designed money-saving shipping cases for hundreds of leading shippers. For example—a tool manufacturer in Ohio, after a satisfying experience with General Box

Engineers and their recommended boxes, reports that he has saved "a great deal of money" on freight. He goes on to say—"We also have made a great saving in the elimination of about 75% of the nailing we were compelled to do on the former type of packing case." ... The chances are that something like this can be done for you. Accept our offer and find out. Twelve well-distributed plants guarantee the conservation of those economies our engineers are able to find.

OUR OFFER

Consign your product, just as you pack it for your customers, to one of our laboratories (either 62 W. Grand Ave., Chicago, or 131 Kent Ave., Brooklyn). Our engineers will study your present box or crate, redesign it to eliminate excess costs, ship your product back in the recommended package, and submit a report that will either point the way to definite savings or give you assurance that no improvement can be made. Or, if you prefer, write for one of our engineers to study the problem in your own shipping room. The investigation is free, either way.

GENERAL BOX COMPANY

502 N. DEARBORN ST., CHICAGO, ILL.





Save Your Eyes

and concentrate all your attention on the job. Neo-Leum eliminates confusing reflections of objects or light. Finished in dark green—nature's eye-comfort color. Neo-Leum stimulates working speed, insures accuracy, adds efficiency. It also preserves new desk tops and renews old ones. It makes offices better looking, and is a profitable, permanent investment. Neo-Leum is its own best salesman, and will demonstrate 10 specific advantages over glass, besides costing one-third to one-half less. Use it ten days without obligation. Use the coupon now.

WAGEMAKER COMPANY
564 South Market St.,
Grand Rapids, Michigan

Please ship F.O.B. Grand Rapids, the following size Neo-Leum top or tops, which we agree to use for ten days, returning or remitting within this time. Size of desk top—in, by—in.

Name _____
Address _____

66 years... known for economy

To great buildings from coast to coast, Jenkins Valves bring that extra measure of service which good management, with an eye to low upkeep, always demands. For 66 years Jenkins have been a first choice for duty in the power plant, plumbing, heating and fire protection lines. Jenkins Bros., New York, Boston, Philadelphia, Chicago.

Jenkins
VALVES
Since 1864

Debunking the Farm Tenant Scare

By GLENN BUCK

Associate Editor, *The Nebraska Farmer*

IT IS common for alarmists to point to the large number of tenant farmers as evidence that agriculture is fast approaching a condition akin to peasantry. A study of the situation, however, shows that such evidence cannot be taken at its face value, that the extent of farm tenantry is far from a true indication of agriculture's condition.

Take Nebraska for example:

The 1925 agricultural census shows that 49 per cent of the state's 42,024,775 acres of farm land is operated by tenant farmers—renters. The swivel-chair agriculturist, upon noting such a figure, releases a deep sigh and says, "Something must be done to help us farmers." But a close scrutiny of the matter, reveals little cause for worry about a "down-trodden peasant of the soil."

No cause for worry

THERE are at least four sensible reasons why the proportion of farm renters in the country does not indicate an especially disastrous condition of agriculture:

1. Much rented land is operated by relatives of the owners, usually sons and sons-in-law, who sometime will inherit it.
2. The use of large-scale machinery, which has come so rapidly these last few years, has caused many landowners to extend their operations by renting additional land.
3. There is, and always will be, a large class of young farmers who must necessarily begin as renters, and many of whom eventually will be prosperous landowners.
4. The high price at which some individuals and business firms hold land, bought in the boom times, makes it more economical to rent than own, in some instances.

Coming back to Nebraska's 42,024,775 acres of farm land and reading further into the 1925 agricultural census, we find that, of the 20,783,170 acres rented, 7,167,857 acres were operated by persons related to their landlords. This means that the per cent of land in Nebraska rented to nonrelated per-

sons is only 32.4 per cent, considerably below the 49 per cent figure, which is the one most quoted regarding this or any other agricultural state.

We have a thrifty farmer who prosperers and puts his savings in good farm land. Finally, he becomes owner of an adjoining farm. He has a son who has reached manhood and who is desirous of farming for himself. Another unit is added to the farm tenantry system, but in this case the renter is a desirable type of farmer and citizen and eventually will own the land he operates.

It is true that tenantry has increased in recent years in many agricultural states, but this can be accounted for mostly by the expansion of operations by farmers who have begun using improved tractors and the accompanying larger units of field machinery.

Suppose, for example, that two progressive and wide-awake farmers and one, who continues to farm just as his forefathers did, live on three adjoining farms. All three depend upon horses and comparatively small units of machinery for their field operations.

Comes the tractor of today—an efficient, workable piece of machinery. The tractor may increase the farming capacity of one man by 50 per cent. The two forward-looking farmers buy tractors, combine harvesters, mechanical corn pickers and other large pieces of machinery. They must farm more land than is included in their original farms to justify the machinery investment. Prices for farm products are none too favorable, and the backward farmer of the three is hard put to compete with the efficient production of his progressive neighbors. Is it not natural, then, that each of the two latter should rent half of the backward farmer's land?

More efficient farming

THE two farmers who are renting their former neighbor's land produce more bushels of grain and more pounds of pork and beef without additional labor—which last accounts for—the largest item in the production costs for any farm crop. The amount of land rented in the state and in the country increases,

but agriculture has benefited; it has become more efficient. Even so, the bugaboo of "farm tenantry indicating peasantry for agriculture" gains momentum.

What becomes of the man who deserted his farm? He is one of the victims of the inevitable trend toward larger farms and fewer farmers and manages to exist on his income from the rented land or adds to the employment problem of some city or town. But, all that is another story.

Then we have that large class of young men, just beginning to farm for themselves. Many of them are going through the customary steps toward farm ownership. They have worked on farms as hired hands until they have saved enough money to purchase equipment and livestock for stocking a rented farm. If their second step, renting, is as successful as the first, they will, after several years, become landowners. Others of farm youth endeavor to leap over that first step, borrowing sufficient capital to begin farming rented land as soon as they become of age and leave their fathers' farms. Surely they contribute very little to the problem of agriculture, as evidenced by the extent of tenantry.

Low rent increases tenants

NOW we come to that group of farm renters who find it more economical to rent than own farm land. We have a piece of land owned by a city dweller who purchased it as an investment at the rate of say \$300 per acre and at a time when its actual productive value was given little consideration. His financial condition enables him to keep possession of the land, although the income from it may be comparatively low. He is not capable or in a position to farm it himself and rents the land to one of the individuals in the three classifications mentioned in the foregoing. His renter may have the use of the land for about four per cent of the lowest figure at which the owner thinks he could afford to sell.

In this case it is better business for the operator to rent than own. In addition, he has capital which might be tied up in land for use in other enterprises, such as the purchasing and feeding of livestock, and is able to enlarge the volume of his business.

Thus if the sympathetic speaker for agriculture who bases his statements upon long-range viewpoints gets down to the grass roots the bugaboo of farm tenantry diminishes into a mere speck upon agriculture's horizon.

**Firm-fibred strength is
BUILT INTO GATOR-HIDE KRAFT
.. It stands up.. It takes
the goods home safely.**

Another Certified Product of
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MAIN SALES OFFICE: 100 East 42nd St., New York, N.Y.

Bastrop Mill, Bastrop, La. MILLS

Mobile Mill, Mobile, Ala. Louisiana Mill, Bastrop, La.

Camden Mill, Camden, Ark.

STRONG



CANADIAN NATIONAL—TO EVERYWHERE IN CANADA

*Jasper
Golf Week,
Sept. 13 to
Sept. 20*



In Alpine JASPER

All the thrills of the Matterhorn, Jungfrau and Mont Blanc await you in the Canadian Rockies. The glaciers and canyons of Jasper National Park challenge exploration—Swiss guides complete the Alpine picture, and crowning all is the famous Championship Golf Course in glorious mountain setting.

Full information from any Canadian National Office

Here days are varied with trail riding, motor trips to scenic wonderspots, tennis, swims in a warm outdoor pool, and the restful informal luxury of Jasper Park Lodge with its evenings of bridge, music, dancing and social contacts with friendly folk from all the world.

CANADIAN NATIONAL The Largest Railway System in America

BOSTON
186 Tremont St.
BUFFALO
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8 S. Michigan Ave.
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48 E. Fourth St.

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925 Euclid Ave.
DETROIT
1525 Washington Blvd.
DULUTH
430 W. Superior St.
KANSAS CITY
705 Walnut St.

LOS ANGELES
607 So. Grand Ave.
MINNEAPOLIS
118 Second Ave. So.
NEW YORK
666 Fifth Ave.
PHILADELPHIA
1422 Chestnut St.

PITTSBURGH
325 Fifth Ave.
PORTLAND, ME.
Grand Trunk Ry. Bld.
PORTLAND, ORE.
302 Yamhill St.
ST. LOUIS
214 No. Broadway

ST. PAUL
325 Fifth Street
PORTLAND, ORE.
302 Yamhill St.
ST. LOUIS
214 No. Broadway
WASHINGTON, D. C.
921-1125 St., N. W.

Why Employees Prefer Towns

By WILLIAM R. NEEDHAM

LIKE thousands of other employees I moved to the big city because I believed the opportunities would be greater in a larger place. My immediate reason was an offer of a position that carried with it a 75 per cent increase in salary. Three hundred and fifty dollars a month looked big back in the small town where I was getting only \$200.

My up-state friends frequently ask me how I like the city. They are usually surprised when I inform them that it now costs me \$150 a month more to live than it did when I was one of them. In other words my \$350 a month salary is of no greater real value to me than \$200 a month was formerly. In fact it really gives me far less.

To mention just one point here, I must spend two hours a day getting to and from my office. I am not paid for those two hours.

No matter how hard my wife and I try to save for the proverbial rainy day we seem to be defeated unless we accept a lower standard of living than we had been accustomed to in the small town. We actually save less now than we formerly did on 75 per cent less income per month.

Rents are far higher

WHERE formerly I paid \$45 a month rent for a five-room house on a quiet residential street with a lawn in front, trees and a plot of ground large enough for me to get some exercise raising vegetables, and where my wife raised flowers, I now pay \$85 a month for a three-room apartment five miles from my office. It is on a city street lined with high apartment buildings.

I have two less rooms, one exposure, no porch, no garden, no trees, sunlight for only a few minutes of the day, no congenial neighbors, no sense of ownership and no garage. My former rent included that item.

I have owned and enjoyed a car since I was 21 years old. Since coming to the city I find an automobile largely a nuisance expense. Garages in my neighborhood rent for \$40 to \$50 a month. That, I decided, was too much so to save I garage my car 35 blocks away, and pay \$18 a month for the privilege.

ride to and from the garage on the subway, and when I finally get to my car I spend two hours driving through built-up districts before I finally reach the open country.

Now I can only use my car on Saturday afternoons and Sundays where formerly I drove it to and from my office. By automobile it was 15 minutes from my home to my office in a four story brick building on Main Street. Now, by subway and bus I spend close to an hour getting from my three rooms in a 12 story apartment to my place of business in a 24 story skyscraper.

It's work to go to work

FORMERLY I had a pleasant drive in the open air. Now I fight to edge my way into a subway train, there to have my nerves wracked by the roar, my nostrils assaulted by the smells and my vitality sapped by the struggle.

Adequate healthful recreation is expensive and hard to get in the city. There, one pays more for less of it than any place else on earth. Anatole France said that at least the poor were able to enjoy free of charge and in unlimited quantities nature's gifts of fresh air and sunshine. Mr. France could not have known how modern city people live. Metropolitan dwellers must pay heavily for sunshine and air. To verify this statement it is only necessary to compare prices of apartments on the sunny side of buildings with those on the other side. Landlords know how wrong was Mr. France.

Swimming used to be my favorite sport. In my little up-state town we had an excellent beach on a fresh water lake and also a pool. For the former there was no charge, for the latter the fee was 25 cents.

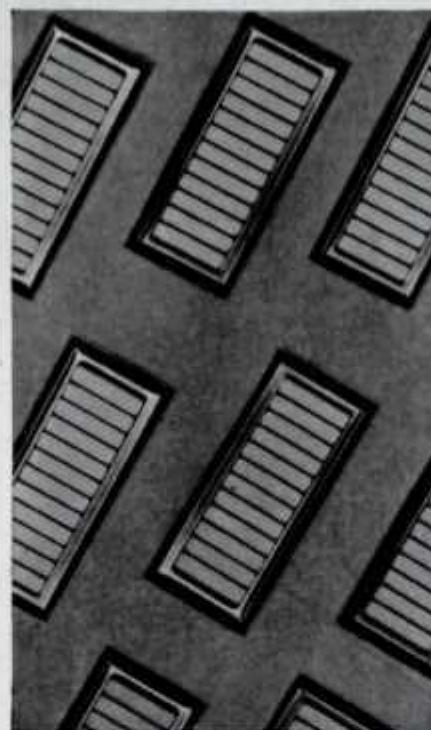
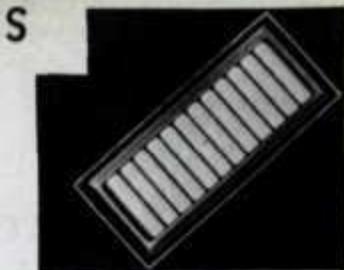
When I landed in the city I found swimming less popular—and for good reasons. It costs too much and is too hard to get to.

Swimming has no attractions

CLEAN indoor pools patronized by cleanly persons cost from one dollar up a swim. Nearby public beaches are so packed as to offer no attraction to one who has been used to at least ten feet of open water before him. Distant beaches can be reached on a train, an hour each way, at a cost of close to six dollars for rail fare for two; then with 75 cents each for a bathhouse and one dollar each for food the struggling young couple decide that the bath tub will have to suffice.

Hunting was another of my diver-

>>>> IN THE HANDS OF G. P. & F. ENGINEERS > >> Pressed Metal has new Possibilities <<<



G. P. & F. drawn and punched grille (of 14 U. S. Gauge steel) for heating system application. Naturally the smooth finish is desirable for attractive appearance. The light weight and thin cross section would be impossible of attainment except in pressed metal.



KNOWING HOW SINCE '81

50 YEARS EXPERIENCE

FORWARD-LOOKING manufacturers are discovering that to sell more, their products must meet new demands. Must have the modern touch. Must be priced right.

At G. P. & F. these things, and more, are being accomplished for manufacturers using pressed or stamped metal parts. In many instances where pressed metal has been considered impossible of application, G. P. & F. engineers have found a way. With a background of fifty years experience in pressed metal work these engineers have successfully worked with thousands of manufacturers. They have solved seemingly impossible problems of design and redesign. They have helped speed numerous products to market by cutting down designing time.

Moreover, G. P. & F. engineers constantly are working out short cuts, new and better ways of doing things. Thus the 19-acre G. P. & F. plant is equipped to produce quality pressed or stamped metal products or parts at still greater savings to you in time and cost.

G. P. & F. engineers are ready to consult with you on redesign and on new products—and to give prompt quotations if blueprint or sample part is sent.

GEUDER, PAESCHKE & FREY CO.
Sales Representatives in Principal Cities in All Parts of the Country

1371 St. Paul Ave., Milwaukee, Wis.
Clip this Reminder for New 1930 Booklet
"In Harmony With Progress"

GEUDER, PAESCHKE & FREY CO.
1371 St. Paul Ave., Milwaukee, Wis.



Please send your 1930 Booklet, "In Harmony With Modern Progress," in the address below. It is understood the writer is not obligated.

Name _____

Company Name _____

Address _____

(A-1103)

IF YOU ARE AN EXPORTER and use export statistics, you may be interested in reading a pamphlet on

Accuracy on Export Statistics

which has recently been published by the Foreign Commerce Department of the United States Chamber of Commerce. We shall be glad to send you a copy of this folder free on request.

FOREIGN COMMERCE DEPARTMENT
UNITED STATES CHAMBER OF COMMERCE
WASHINGTON, D. C.



BRITISH SUBSIDIARY
The American Appraisal Company

IS PLEASED TO ANNOUNCE THE
 ORGANIZATION OF

**The Anglo-American
 Appraisal Company, Limited**

25 Victoria Street, Westminster,
 London, S. W. 1

MR. LEONARD W. JUST, *Managing Director*

A thoroughly experienced, American trained appraisal staff is equipped to handle engagements on properties throughout the empire, and in conjunction with the Berlin staff of the American Appraisal Company on properties in Continental Europe.

**THE
 AMERICAN APPRAISAL
 COMPANY**

New York • Chicago • Milwaukee
 and Principal Cities

A NATIONAL ORGANIZATION

TRULY
 A MODERN
 HOTEL

A splendid hotel in a splendid city. You will enjoy its atmosphere, its food and its service. 600 rooms, each outside, with bath, servitor and circulating ice water. \$3.00 up.

Powers Hotel, Rochester, N.Y., under
 new management

**HOTEL
 SYRACUSE**
 SYRACUSE, N.Y.

**Lines Wanted
 For Pacific Coast**

WE are now in a position to give one or two additional products splendid sales representation in the eleven Western States, and the Orient, selling to the jobbing trade.

Manufacturers of hardware, electrical, automotive, household, drug and chain store products are invited to communicate.

We can furnish convincing references as to proven sales records and financial responsibility.

J. R. O'Donnell & Co.

% Simpson-Reilly
 Room 1920, Russ Bldg., San Francisco, Calif.

sions. It could be had 15 miles from my home when I lived in a small town. Many a time I have gotten up at four o'clock on frosty October mornings, been in the woods at 4:30, home again at eight and in the office by nine. Since I came to the city I have hunted once. The woods were a day's trip from my apartment. By spending two days in travel I got in one day of hunting. I do not expect to go again soon. Hunting seems not to be a sport for employees with limited salaries and a two weeks' vacation—at least if they work in the city.

For 20 years walking has been an enjoyable form of exercise for me. I thrived on walking. After finding in the city that other diversions were too expensive, I decided to go back to walking. For several weeks I walked from my office to a distant subway station on the route home. My way led along hard pavements and through traffic-infested streets. There were no sunsets, no trees or flowers or green fields to delight the eye.

Even walking is unhealthy

AT LEAST it was exercise but it did not seem to agree with me. I could not understand why it should be harmful so I consulted a physician. He ordered me to discontinue my walks with the statement that the gases from automobile exhausts were beginning to affect me.

He added that they were especially thick between five and six in the afternoon which was the time of my misguided exercise. So I gave up walking.

The physician did admit that I needed exercise. Why not take up golf, he suggested. He also referred me to a health institute. I paid him five dollars (fee in the small town is three dollars) and left.

I called the health institute. Yes, they could put me through a series of 40 treatments including exercises, massages and baths. The price? Only \$10 a treatment for \$400 all told, \$50 more than a month's salary.

I investigated golf. To get to the clubs would take from 45 minutes to two hours. Anyway I found the cost of joining to be prohibitive. I tried a municipal course. By getting up at 6:30 in the morning I was at the course by 8:30 and, after standing in line for two hours, was on the first tee at 10:30. I gave up golf.

I still have setting-up exercises to the tune of a cheerful, energetic radio health expert. "Chests out, head back, heels together, everybody happy this morn-

ing? Here we go—one, two, three, four." And so to health in metropolitan United States.

Amusements in the city also carry the labels of high prices, crowding and time wasting. A few months ago I stood in line 20 minutes to pay \$1.50 for standing room to a movie that last week played in my old home town for 35 cents, 20 cents for children under twelve. In one of our largest cities traffic congestion has become such a problem that most theaters open at 8:50 instead of 8:30. That extra 20 minutes can easily be spent sitting in a traffic-blocked taxi en route to the theater.

Small town improvements

BEFORE the present era of good roads, automobiles for the multitude, telephones, talking movies and radio, the town and even the small city was no doubt a humdrum place to live. Today the small town employee is on top. He can enjoy the finest entertainment the nation affords—free over his radio or at a nominal charge in his local movie house. He can really use and enjoy an automobile.

His local newspaper gives him all the important news of the world. The many fine magazines published will keep him abreast of every important development in any field.

But, best of all, the town or city of less than 300,000 population places no premium on fresh air and sunlight; nor does it make healthful recreation so expensive and inaccessible as to be practically removed from the life of the average employee.

Less crowding and lower costs

EMPLOYEES are more alive to the advantages of smaller communities than are employers. The latter make enough money and have enough leisure to afford the recreation that is necessary for good health. Fortunately employers are realizing that they can produce more cheaply in the smaller communities and that in those places their employees can live sane, healthful lives. Fortunately for me, my employer is one of that far-seeing type. He is already planning to move our offices to an up-state village.

A golden opportunity is opening for the smaller places. They now have some real advantages to offer industry in the cities. Each new invention that makes small-town life more attractive will tend to attract industry. When television and air travel for all become a reality the great city will be on the defensive.

THE HIGH SPEED MACHINE



FOR ALL FIGURE WORK



CENTRAL COMPUTING BUREAU, PEOPLES GAS LIGHT & COKE COMPANY, CHICAGO, ILL.

What would be your answer?

SUPPOSE the front office rings up the head of the Accounting Department and asks, "What is the cost of our figure work?"

There are three possible answers:

1. "I don't know."
2. "I guess—."
3. "It is so many dollars and cents."

Unless you have a definite standard of measurement by which to determine your costs, the alternative lies between one or the other of the first two answers.

Where unit standards of measurement are set up for the various classes of figure-work production, exact costs are not difficult to obtain.

With its forty-two years of co-operation in reducing figure-work costs, the Comptometer offers its assistance

in applying production measurements to the various figuring operations in your accounting.

Through a measured production test, in which, if desired, the Comptometer will be glad to participate, you can easily determine what particular machine will enable you to produce accurate work at the lowest unit cost.

A Comptometer man is ready and willing to assist you in your effort to respond promptly to the front office question, "What is the cost of our figure work?", not only with the true "dollars-and-cents" figure, but he may even suggest ways and means of lowering it.

Your invitation for him to call will imply no obligation and, of course, no cost.

**FELT & TARRANT
MFG. CO.**
1712 N. Paulina St.,
CHICAGO, ILL.



**CONTROLLED-KEY
Comptometer**
ADDITION AND CALCULATING MACHINE

*If not made by Felt & Tarrant it's not a Comptometer
Only the Comptometer has the Controlled-Key safeguard*

COL. PHILIP GERHARDT

Vice-President
of BUSH
TERMINAL CO.

says:-

"YOU CAN
WRITE OFF
ITS ENTIRE COST WITHIN ONE YEAR"

Business today demands simplicity of today's Dictaphone. New improvements, new speed and convenience aids, such as making any sort of change or correction in your dictation with just a simple flick of your finger, more than ever double your ability to get things d-o-n-e!

You'll never know in how many ways the Dictaphone can make your day easier and more resultful until you've tried it yourself. The coupon is here for your convenience.

Add to this economy the ultra-

Dictaphone Sales Corporation, 204 Graybar Bldg., New York, N. Y.
I'd like to see how the Dictaphone can apply its economy and convenience
to my office. Just show me one.

Name _____
Address _____



dictaphone

The word DICTAPHONE is the Registered Trade-Mark of Dictaphone Corporation, makers of Dictating Machines and Accessories to which said Trade-Mark is Applied.

WHAT I'VE BEEN READING

By WILLIAM FEATHER

PROSPERITY" is the title of a booklet, written by Walter S. Gifford, president of the American Telephone Company, and mailed to all of the A. T. & T. stockholders.

It is a refreshing study of the American business situation. The president of the world's largest corporation presents what is really a philosophy of Americanism. That so democratic an utterance should come from one of the nation's foremost business leaders would be inconceivable at the beginning of this century. When leaders hold such ideals as Gifford expresses the realization of them is assured.

The theme of "Prosperity" is that the progress of this nation is less due to our wealth of natural resources than to the character of our people. The spirit, the vigor, and the vision of Americans count for more than our harbors, rivers, minerals, and fertile land. The development of the telephone system, for example, is mostly based on the new understanding of nature. Scientists and inventors created this facility, and men with a desire to make the good things of life available to all created the organization by which the telephone became of universal usefulness.

Gifford says that the progress of the nation has followed the adoption and extension of the democratic principle. The conception first exhibited itself in government, then in education, and finally in prosperity. Until leaders recognized that all men were entitled to a decent standard of living and a fair share in the fruits of industry there could be no great economic expansion.

Once this idea was embraced, the old notion that a man could get rich only by taking from another was dropped. The emphasis today is on the creation of more wealth for everybody. The millionaire's prosperity is contingent on the well-being of a million humble consumers. All are passengers on the same ship.

Unexpectedly and courageously, Gif-

ford asserts that business leaders must accept the responsibility of smoothing the ups and downs of employment.

"In the days of *laissez-faire*, if a new process threw people out of work," he says, "they were merely the victims of progress. At present this progress is called technological unemployment and there is an increasing disposition on the part of the public to expect industry to make these transitions as easy on the individuals concerned as possible, as well as to improve the processes of industry as a whole—and business accepts this responsibility."

THE criticism that the nation has been mechanized by machinery is called "distorted" by Gifford. Nowhere in the world, he says, is there a more progressive and more skilled body of workers. Nowhere does the worker have as much opportunity for material advancement, for mental development, for recreation and bodily exercise. And finally, "So far as the comforts of life are concerned, perhaps nowhere in the world is there less standardization than here."

In the last paragraphs of his article, Gifford answers the critics who are fearful about "culture" in the United States. He wonders if freedom from economic want should not be the first objective of civilization. When people have adequate food and shelter they naturally turn to higher things, and that is exactly what we are now doing. Our aspirations seek higher levels of expression with each generation.

"We can," he concludes, "face the future with a confidence that not only will our standard of living become higher and higher so far as material needs and comforts are concerned, but that upon the foundation of this higher standard of material conditions will arise a spiritual and cultural development which will give our children and our children's children the priceless heritage of a finer civilization."

MANY would consider \$3 well spent for "The A B C of Aesthetics" by Leo Stein just for the fun of reading the

following statement, which appears in Chapter IV:

"It is the common belief that art has some very special connection with pleasure, but this is doubtful. The amount of pleasure that people get from art is greatly exaggerated, for though sometimes it gives great pleasure yet it is possible thoroughly to appreciate a great work of art without so much positive pleasure as one gets from a good stretch."

Those who suspect there is a good deal of bunk in what goes under the name of art will find refreshment in this book. Much of the content is dreary reading for a layman, but in spots the author becomes an eloquent spokesman for the man who is a member of that multitude who, after looking at a masterpiece, still wonder what all the shouting is about.

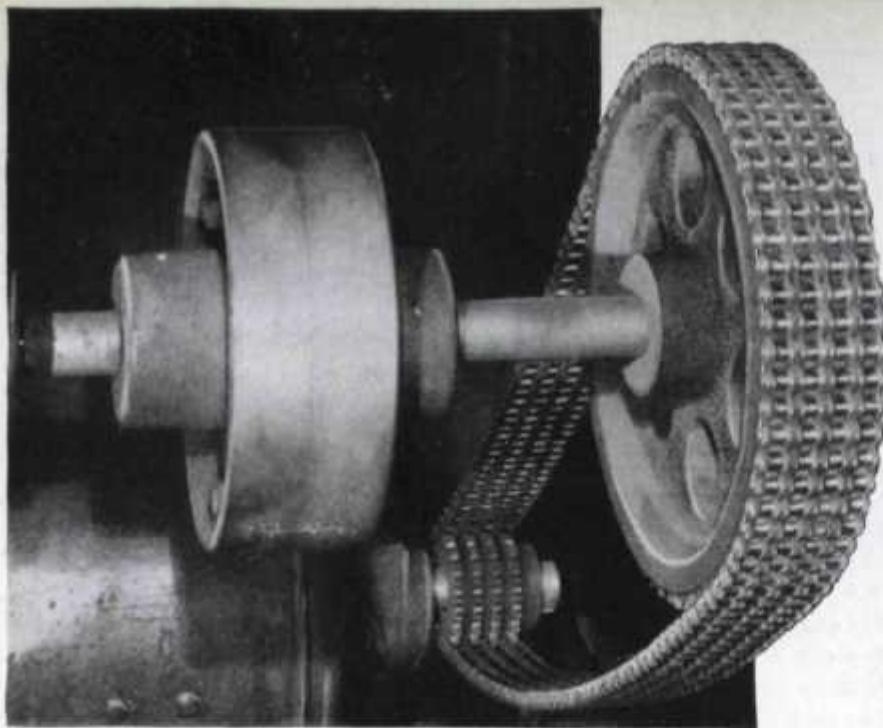
FROM this point of view the last chapter is perhaps the best in the book. Stein is so unorthodox that he doubts whether a distinction should be made between fine arts and others. Why, he wonders, is not a tool handle often as beautiful as a piece of sculpture? Why not call everything art that is produced by man?

"The effect of thinking in terms of fine arts is almost altogether bad," he continues. "It encourages the museum, the dilettante, the collector, the critic, and other futilities of a pseudocivilization. Its only good excuse for being is its economic benefits for a certain class of producers. The notion of fine arts and their putative value encourage conspicuous expenditure, and without this there would be very little occupation for the artist in our current social order."

Stein has no sympathy with the busy-bodies who concern themselves with the integrity of the artist. They make it their business to see that artists do not prostitute their talents. It would not be right for a sculptor to design an automobile body. A painter must not do a picture for an advertiser. I have heard collectors boast that their favorite etcher never stooped to introduce drama into

Prosperity by Walter S. Gifford. Booklet distributed free to stockholders by American Telephone and Telegraph Co.

The A B C of Aesthetics by Leo Stein. Horace Liveright, New York. \$3.



ONE of the wastes that eat away today's thin margin of profits lies in power transmission. Power is costly...far too often its waste is needless. Diamond High-Speed Roller Chain removes the hurdles from power's pathway...makes transmission smooth, efficient.

In Diamond Chain, every contact is a *rolling* contact...the most efficient anti-friction principle known...reducing wear, eliminating friction, resisting conditions so adverse as to hamper seriously all other transmissions.

Plants report after years of use that Diamond Chain virtually eliminates maintenance costs, postpones repairs, increases quality as well as quantity of production.

And this efficient "power pathway" is available up to 3600 R.P.M. Newer, better methods of construction, scientific advances

in the heat-treating of steel, have reduced weight to such an extent that Diamond Chain transmits 100% of speed, 98-99% of power at tremendous speeds.

Diamond Chain in single or multiple strands is applicable wherever positive drive is needed, on long or short centers; they are *run over* and *under* sprockets as well.

Get the full interesting story of this most efficient form of transmission. Send the coupon for Booklet 102-A, "Reducing the Cost of Power Transmission."

DIAMOND CHAIN & MFG. CO.
417 Kentucky Ave. Indianapolis, Ind.

DIAMOND CHAIN

ROLLING ~ AT POINTS OF CONTACT

ROLLING SURFACES DISCOURAGE WEAR

Trade  Mark

Diamond Chain
& Mfg. Co.

417 Kentucky Ave.
Indianapolis, Ind.

Please send a copy
of Diamond Chain
Booklet 102-A,
"Reducing the Cost
of Power Trans-
mission."

Company Name.....

Name.....

Address.....

City..... State..... (ASB7)

his pictures. The theory, I suppose, is that if the picture presented a dramatic situation, it would be interesting to low-brows, and enjoyment of it would not be the exclusive pleasure of the owner.

"If we ever become radically and not trivially serious, we shall drop the fine arts and take beauty into our lives," concludes Stein, and I wish this idea had been elaborated in more detail and in more concrete words throughout the book.

"THE Advertising Parade" is a large book, 8½ x 11, 172 pages. It is "An anthology of good advertisements published in 1928," and is dedicated "To the most exciting of modern professions which is concerned with the making of advertisements."

Those who have to do with the making of advertisements will agree with this tribute. As a group, advertising men probably get as much fun out of living as anybody. And, better yet, their job is becoming more interesting every year.

The mail that brought this anthology to my desk also delivered the first issue of "Advertising Arts," a new quarterly supplement of *Advertising & Selling*. Although devoted exclusively to the work of advertising men (which includes artists) the new publication is as entertaining and stimulating as any art publication I have ever read. The text is far superior to what is found in the usual art magazine.

Four advertising experts helped Mr. Hunt select the examples that appear in "The Advertising Parade." Hunt chose 300 advertisements, and the jury reduced the number to 150. Each example is reproduced in full.

In addition to portraying the newer trends in advertising in general, this book offers first aid to the lay-out man, copy-writer, and account executive. It will be of indispensable value also to advertising managers and sales executives. And finally there is an unusual pictorial and artistic interest for everyone who desires to observe the progress of advertising technique in America.

"HOW to Manage Personal Finances" is printed on ledger paper, and measures 11½ x 11¼, so it is in reality a bound

The Advertising Parade, edited by Robert Hunt. Harper & Brothers, New York. \$7.50.

"How to Manage Personal Finances" by Frances Seaver. Harper & Brothers, New York, \$3.

PORTLAND IN LINE WITH *HOOVER PROGRAM

★72 Million Dollars

*for NEW Construction
to be spent in Portland,
Oregon, and vicinity...
*in 1930**



*A part of the business section of
Portland and the initial work
on the new St. Johns bridge*



RAILWAY companies, public utilities, the county and the municipality, have outlined expenditures of seventy-two million dollars in the vicinity of Portland, Oregon, for 1930. Twice the amount as at the beginning of 1929. This expenditure will stimulate business in all lines, especially manufacturing!

New industries and branch factories are invited to Portland, to share with us our unprecedented opportunities and prosperity. An abundance of raw material, an unlimited supply of pure soft water, hydro-electric power at one of the lowest rates in the country, a temperate year-around climate, efficient and contented labor, and remarkable transportation systems via rail, steamship, motor bus and air—all these and more account for Portland's rapid industrial advancement.

Portland's manufacturers are successful. There are 1250 manufacturing plants, 17 of which are distributing internationally, 18 nationally, and 50 of them are branches of national concerns. Portland's manufactured products are to be found in every state in the Union and in many foreign countries. Portland has increased in population from 90,000 to 356,823 since 1905, has made an enviable record industrially, and has become famous as a world port.

An economic survey of Portland's industrial advantages, made by one of the nation's leading firms of industrial engineers, will be available soon. Write for your copy! Better still, visit Portland this year—combine business with pleasure—investigate our industrial advantages while here and enjoy a vacation in this playground of the business man and sportsman.

*For information on any subject, address Advertising and Promotion Dept.
PORTLAND CHAMBER OF COMMERCE, Room 201, Portland, Oregon*

PORLAND·OREGON

When writing to PORTLAND CHAMBER OF COMMERCE please mention Nation's Business

Kemp Brings Efficiency to All Process Heating

They Told Him Production Costs Could Not Be Cut - - - And He Laughed!

He knew they could. Knew it when he accepted the position. Production cost was the first big sore spot he placed his finger on. The seat of trouble. Yet the board told him that production costs had been trimmed to the zero mark. Could not be cut again. The President whispered of certain old employees prejudiced against change—new methods of process heating. He knew the job was a real one. Friends had warned him. Had told him frankly it was a destroyer of brain and nerve. He took it, faced squarely the challenge which had hurled two brilliant men before him down to heart-broken defeat. Took it, laughed at it and licked it.

Today he'll tell you his business is profitable—not using the right equipment had consumed the profits—given competition the edge. The old employees? They were soon won over when they saw how simple the operation of the Improved Kemp Automatic Gas System. How it gave them more time for productive work—worried them not in the least about mixtures, temperatures, etc.

A Man's mastery of a difficult job often depends upon the men and equipment he has to work with. In manufacturing where process heating is a factor, the heating system is of super-importance.

The Kemp System has an unfailing record of successful installations. In nearly every instance it has shown most or all of the following results over any system it replaced.

Reduced fuel costs—reduced labor and supervision—better working conditions—a great improvement in quality of the product—a greater uniformity—reduced rejects to a minimum, and to many its exclusive features have made possible certain unique methods of heat application with remarkable efficiency. A Kemp engineer will gladly help you with any problems you may have in heat application. Will go to bat with you when you need him to help convince others. You can reach him by writing or by phoning (Vernon 1166), Baltimore, Maryland.

The Improved Kemp Automatic Gas System



Baltimore Maryland

When writing to C. M. KEMP Mfg. Co. please mention Nation's Business

book of record forms. The book is recommended to those families who engage in monthly quarrels about "Where the money goes?" and who often find themselves with no funds in hand to pay the inevitable but unexpected bills from the dentist, the insurance company, and the tax collector.

The budgets suggested by Miss Seaver compel the user of the system to face realities in advance. Money can be saved only by families that are willing to do this. Successful financing is at the basis of a successful marriage. This book should be an invaluable aid.

DR. W. D. SANSUM, author of "The Normal Diet" is director of the Potter Metabolic Clinic, Department of Metabolism, Santa Barbara Cottage Hospital, Santa Barbara, Calif. His book is short, readable, and, to a layman, it seems sensible. I particularly liked it because it contained no warnings against coffee, tobacco, or alcohol.

Undoubtedly thousands of people are injuring themselves by faulty diet which they follow, not because they like what they eat, but because they don't know what constitutes a normal diet.

Excess acidity is one of the common causes of disease. Dr. Sansum tells how to counteract this condition. He also tells how to reduce weight safely, and the popularity of the book is largely due to the success enjoyed by users of the reducing menus.

Throughout the volume I noted a persistent insistence on milk as the primary essential of a normal diet. One quart per day is the doctor's ideal for every living person—more for growing children. Also eat plenty of fruit and vegetables. From these sources you will get food elements that are often lacking in other dishes.

IN business dealings, says Professor Pitkin, author of "The Art of Rapid Reading," all of us tend to talk too much and read too little. We can talk only one-fourth to one-third as fast as we can read. Business men, therefore, should write and read more, and talk less.

Because reading is faster than talking, advertising justifies itself. The salesman of an unadvertised product who comes

"The Normal Diet" by W. D. Sansum. C. V. Mosby Co., St. Louis. \$1.50.

"The Art of Rapid Reading" by Walter B. Pitkin. McGraw-Hill Book Company, Inc., New York. \$2.50.

Not by accident is NEW YORK the greatest industrial state

NATURE endowed New York State with a perfect foundation for industry . . . raw materials, fertile soil, safe harbors, navigable waterways, temperate climate.

Today, New York is the world's greatest industrial state. Out of 264 industries listed by the United States Government, 242 are represented in New York.

Within a closely concentrated area around New York State is 49% of the nation's total population, and 55% of the nation's total wealth. This area is the world's richest market. And the logical place to manufacture goods for that market is in the center of it.

Here your sales and distribution costs are at a minimum. And here unlimited capital is available for home industry.

Niagara Hudson's rates for power are materially lower than the nation's average. Interconnection makes electricity available not only in cities, but rural districts.

The manufacturer who locates his plant in New York State, places it where industry is already established. He takes none of the risks which attend the pioneer. New York is over its growing pains. It is industrially mature.

Put your plant in New York State—you profit by more than 100 years of industrial growth. Write for our new book, "New York, The Great Industrial State." It is sent to interested manufacturers without a personal follow-up of any kind. Address Niagara Hudson Power Corporation, Industrial Development Bureau, Albany, N. Y.

*Power is cheaper in
New York State*



Skilled labor with unusually high output, together with the most concentrated market in the world, awaits you in New York State.

Write for our new book on the specific industrial advantages of territory served by Niagara Hudson, including these towns and cities:

ALBANY	DOLGEVILLE	HERKIMER	MEDINA	SCOTIA
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BALDWINSVILLE	FAIRPORT	HUDSON FALLS	NIAGARA FALLS	SYRACUSE
BALSTON	FALCONER	ILION	N. TONAWANDA	TONAWANDA
BATAVIA	FORT EDWARD	JAMESTOWN	OLEAN	TROY
BOONVILLE	FORT PLAIN	JOHNSTOWN	ONEIDA	UTICA
BROCKPORT	FRANKFORT	KENMORE	OSWEGO	WATERFORD
BUFFALO	FREDONIA	LACKAWANNA	PULASKI	WATERTOWN
CANASTOTA	GENESEO	LANCASTER	RENNELAER	WATERVLIET
CARTHAGE	GLENS FALLS	LEROY	ROME	WELLSVILLE
COBLESKILL	CLOVERSVILLE	LITTLE FALLS	ROTTERDAM	WESTFIELD
CORTLAND	GOWANDA	LOWVILLE	ST. JOHNSVILLE	WHITEHALL
COHOES	GREEN ISLAND	LYONS	SALAMANCA	WHITESBORO
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The record of the camera carries conviction. And no matter how far away the actual property or product may be—photographs will span the distance and speed the sale. Memory may falter—words only confuse, but photographs always inspire faith. Whether your specialty is homes or hams or hardware, your local commercial photographer can add the power of pictorial persuasion to your personal and printed selling.

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Order photographs by wire—through your local photographer who is a member of this Association! This valuable service is explained in "THE 4000-MILE LENS." For your copy, address Photographers' Association of America, 2258 Euclid Avenue, Cleveland, Ohio—and also ask for the instructive booklet, "How to Use Photographs in Your Business." Both are free!



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When writing to PHOTOGRAPHERS' ASSOCIATION OF AMERICA please mention Nation's Business.

into an office without a booklet or folder explaining his proposition is abusing the courtesy of the man who offers to see him. A thousand words in a booklet can be read at a glance. To speak the words might take a half hour.

Professor Pitkin tells us how to read words by groups, by lines, and even by paragraphs. Reading falls into three classes:

Light reading, which includes ordinary newspaper items and the simpler varieties of fiction. Such matter can be read at the rate of five or six words per second.

Average reading, which includes longer newspaper articles on serious subjects and most ordinary news articles in business and trade papers. Such matter can be read at four words a second.

Solid reading, which includes technical discussions of fairly difficult subjects. The average speed would be three words per second.

Heavy reading, which might be called study, would cut the speed to 6,000 words per hour.

Suppose a man divided his daily reading time as follows:

	Minutes
To light reading, including some newspaper skimming.....	15
To average reading.....	45
To solid reading.....	30
To heavy reading.....	30

The total would be two hours a day. In a year, such a man would read the equivalent of:

- 16 books of the light type.
- 39 books of average difficulty.
- 20 books of solid reading.
- 10 books requiring close study.

Or a total of 85 books or their equivalent, a year, or one book every four and one-half days, year in, year out. The professor believes that anyone who makes the effort can approximate this pace.

"A man will gladly sweat two hours a day for years, in order to excell at tennis," Professor Pitkin argues. "And, having achieved this excellence, all he can do is to beat his friends in the innocent art of swatting a rubber ball over a net. Suppose he spent half as much energy mastering the much harder game of language. What would he have to show for his efforts afterward?" The professor thinks he would have a good deal.

The suggestions which Professor Pitkin makes for faster reading will not be repeated here. Rapid readers who consult the book will discover that the principles are sound; slow readers will learn new tricks.

A weakness of many people is to hold

books in too high regard. They say that if a book is worth reading at all, it is worth reading well. Great books by great writers do deserve serious study. But the man who wishes to be well informed must read many books which have no literary value whatever, but do have important content. Such books may be read fast, without sacrifice of any value. Bacon expressed the thought this way:

"Some books are to be tasted, others to be swallowed, and some few to be chewed and digested: that is, some books are to be read only in parts; others to be read but cursorily, and some few to be read wholly, and with diligence and attention."

The contents of "The Art of Rapid Reading" include the following suggestive chapter headings: "How to improve your word habits," "How to improve your eye grasp," "How to skim," and "Exercises for practice in light reading, average reading, solid reading, and heavy reading."

FOR many years Americans have asked, "Why can't we have paper-bound books such as we see in continental book-stalls?" Many Europeans, we are told, buy most of their books in paper covers, later binding in cloth or leather those they wish to keep. In the United States I suspect the marketing of books is expensive.

The retail profit on a 50-cent paper book is perhaps inadequate to interest a bookseller. Charles Boni, however, has offered a solution of the difficulty. His monthly book club sends only paper-bound books to its subscribers. The price membership is \$5 a year. This buys 12 new books.

The current offering, as this is written, is "Prosperity: Fact or Myth" by Stuart Chase. It is $4\frac{1}{8}$ by $7\frac{3}{8}$. The typography and the presswork are excellent.

The text pages are on a good quality of paper, and the artistic cover is printed on heavy-weight stock.

The major part of the material in this new offering by Chase is drawn from "Middletown" by Robert and Helen Lynd, and "Recent Economic Changes," a two-volume study prepared under the direction of Dr. Wesley C. Mitchell and the National Bureau of Economic Research. Both these books have been reviewed here. Readers who have refrained from wading through hundreds of pages

'Prosperity: Fact or Myth' by Stuart Chase. Charles Boni, New York. 50c to subscribers of Boni's Paper Books.

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Eliminate wasted minutes from your record-writing

Mani-Fold Forms mean that your operator devotes practically every minute to actual writing of forms. No time is wasted, as with single-sheet multiple forms, in inserting carbon paper, straightening, placing in machine, jogging into alignment, etc.

As the illustration shows, Mani-Fold Forms are constantly in the machine and ready for writing. The carbon is always in place. All copies are written *at one writing*.

Each set of Mani-Fold Forms consists of Customer's Order, Purchase Order, Invoice, Bill of Lading and any other copies of the transaction that you require. Mani-Fold is adapted by experts to fit your own needs.

Special Mani-Fold processes make the printing on Mani-Fold Forms unequalled for the purpose. The paper is of super-excellent quality. This means all copies will be neat and legible.

Leaders of American industry, commerce and finance are using Mani-Fold Forms. The Portfolio described below tells you just how they are saving time and money—and how you will too.

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Branch offices in all principal cities
Trade supplied in Canada by Business Systems Limited, Toronto.

This handsome Portfolio contains a wealth of interesting explanatory material, and also, actual samples of Mani-Fold Forms in use. It shows you how Mani-Fold Forms will save time and money for your firm, and bring other improvements too. You should not be without a copy for your office or home library. The supply is limited. Send the coupon below without delay.

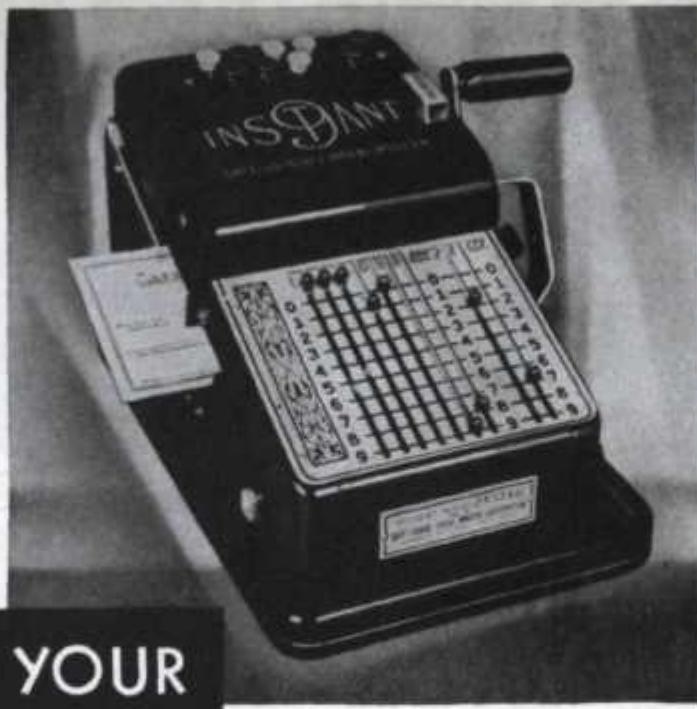
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13320-4 Coit Road, Cleveland, Ohio.
Kindly send the Mani-Fold Portfolio. I understand that it includes actual samples of Mani-Fold Forms in use.

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When writing to MANI-FOLD COMPANY please mention *Nation's Business*



PUT YOUR BEST CHECKS FORWARD

Business-like checks help to attract business. For in these modern times they label a firm successful, alert, progressive, up-to-the-minute.

Checks written on the Instant Safe-Guard Check Writer—like attractive show windows, distinctive stationery, and well-dressed salesmen—carry the unmistakable suggestion of a reputable house and quality merchandise.

Put your best checks forward. Make the checks you pay out pay back a profit in good-will. Follow the lead of the pace-setters in every line of business who have standardized on Safe-Guards.

SWIFT, SURE PROTECTION

One glance takes in the entire, compact keyboard. The amount is in full vision and can be verified before the check is written.

One stroke fills the amount line with big indelible figures—macerates the payee's name, otherwise a vulnerable spot—prints the owner's registered number or special name or trade mark.

One demonstration will convince you. Write for a representative to call, and ask about the \$10,000 indemnity policy that insures every purchaser against forgery or alteration.

**SAFE-GUARD
CHECKWRITER
CORPORATION
LANSDALE, PA.**

in "Middletown" and "Recent Economic Changes" will find a fair summary in the 188 pages of "Prosperity."

Chase has become one of the most articulate critics of American civilization. He is a diligent student of statistics and a gifted writer. Unlike most critics of the present system he faces the facts honestly. One can quarrel only with his deductions.

He reminds me of a supercilious individual on a tour of inspection of a new house, recently built by a neighbor. It isn't a wonderful house, of course, but the neighbor and his wife are proud of it. They never expected to own anything so fine. Chase measures the thickness of the walls, lifts the rugs, smiles at the wall paper, sneers at the electric refrigerator, and finally asks why there is neither a library nor a music room.

When Chase leaves, the neighbor is deflated and unhappy. He now realizes that the ownership of a house, an automobile, a radio, an electric refrigerator, and a central heating system isn't so much. He should be interested in higher things. But he soon forgets all about Chase, as other neighbors make envious remarks about the very things that bored his cultured friend.

SMUGLY to assume that all was well in the United States would lead to disaster. We must be self-critical. But I know of no other place in the world where criticism is so rampant. Materials, processes, methods, education, recreation, in fact everything from baby food to old-age insurance, are the subject of daily discussion. Dissatisfaction with things as they are is chronic. We are striving might and main to improve our condition. Our progress, even when measured by decades, is amazing.

"A beautiful technique this new science of management; the crowning achievement of prosperity," he says. "Given a free hand it might remake American industry humanly as well as technically. Given a free hand, it might abolish poverty, immeasurably diminish the stresses and strains which have dogged every step of the industrial revolution since the days of Watt. It might flood the nation with essential and even beautiful goods at a fraction of their present cost, raise the curse of Adam, and lay the basis for, if not positively usher in, one of the noblest civilizations which the world has ever seen."

Everything that Chase dreams about will be realized if he will be patient. The job can't be done by 1935; it may have to wait until 1975.

When the "Boss" Plays Host

A WOMAN writer of fashion articles departed from her usual subject the other day and offered some bits of practical philosophy regarding employer-employee relations.

"When I enter the editor's sanctum to learn the editorial pleasure or displeasure," she began, "I can feel long school-girl braids flapping against the buttons of a school-girl frock *en route* to the Principal's Office. It's a long while since I wore braids or buttons, but the sensation is vivid.

"I wonder if the 'boss' realizes how often he sees only a colorless caricature of the employee he is interviewing. The very relationship of employer and employed tends to produce unnaturalness of manner—inhibition of thought, perhaps, as well as speech.

"The obligation, it seems to me, is on the 'boss.' He is, after all, the host. And the 'perfect host' brings out his guests. He doesn't permit an attitude or an atmosphere that represses them. Yet many a bright and enthusiastic mind goes completely 'dumb' in front of the chief's desk.

The advantage of surroundings

"IT is hard not to resent the advantage in 'atmosphere' that the employer sometimes abuses. What can *I* do, how can *I* sell *my* suggestions convincingly when my spirit is anesthetized by polished surfaces, clicking typewriters, buzzing phones, curt phrases, haste?

"I am unnerved by the very spirit of it all, put ill at ease—made to feel somehow that the slightest slip on my part may prove fatal. It is all so deadening to my thinking and to my ability to express myself in my own natural way.

"Now if I could just get this same Mr. Chief on the phone, and say, 'I have some ideas I think are great. Come to tea at five'—if I could stage the little act in my library, by my fire, my morale would be so strengthened that I could express my ideas with intelligence and conviction.

"For I would have the advantage of my surroundings. I wonder if many employers remember that they *do* have the advantage of theirs. If they do—and if *noblesse oblige* hasn't become 'obsolete'—they will be generous to the human in the being they employ."—E. R. S.

A Strand of Yellow

In the vast industry of building, where prodigious loads are handled with surprising ease and safety, wire ropes having one strand painted yellow are seen with conspicuous frequency.

This is Yellow Strand, a super wire rope developed and made by the Broderick & Bascom Rope Co., pioneers in the wire rope industry of this country.

Like many other great Americans, it is of foreign extraction. Its steel is largely of Swedish origin and is drawn into wire in the celebrated Sheffield district. But much of the machinery for its manufacture was designed by us and built in our own machine shop.

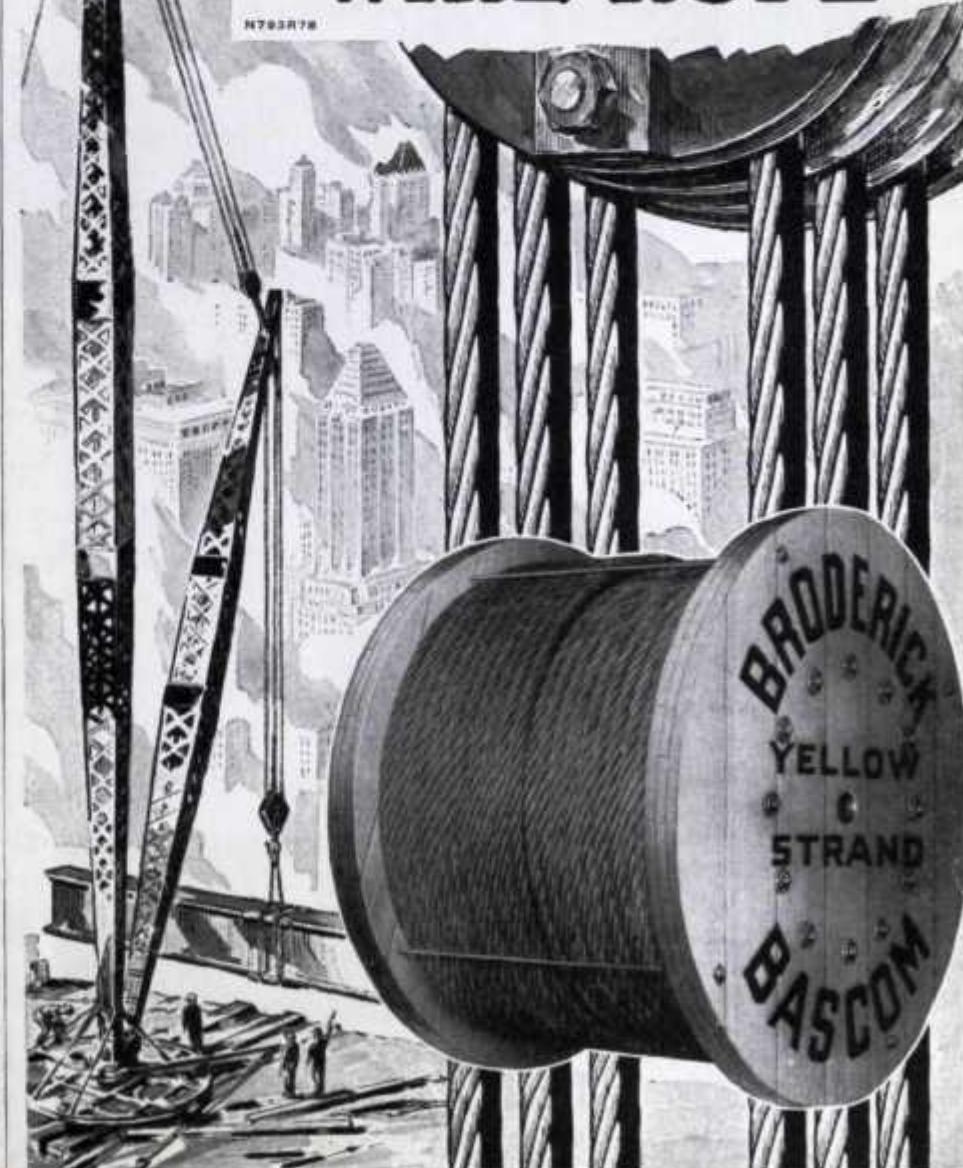
Contractors and others requiring heavy-duty wire rope know they make no mistake in specifying Yellow Strand. It has proved its stamina during many years.

This company also makes wire rope in all the standard grades.

Broderick & Bascom Rope Company
St. Louis, Mo.

Eastern Office and Warehouse: 68 Washington Street, New York, N. Y.
Southern Warehouse: Houston, Texas
Western Offices: Seattle and Portland, Ore. *Factories: St. Louis and Seattle*
Manufacturers of nothing but wire rope for over half a century.

Yellow Strand WIRE ROPE



Is There Room for Rails and Rivers?

(Continued from page 17)

rivers should supplement other forms of transportation.

"There is a very definite field for water transportation here," he said at the Pittsburgh Chamber of Commerce dinner, "in slow moving and bulky freight, such as ore, coal, and grain; and it will be fortunate in the end, for the railroads no less than for the public, if a great inland water traffic be steadily built up on a sound and profitable basis."

Rivers help large centers

W. T. MOSSMAN, representing Jones & Laughlin, believes that the more transportation facilities there are available, the greater will be the development in industry and commerce.

"It is to be hoped," Mr. Mossman told me, "that the railroads will have the vision to realize the economic benefit which will come from building up the country by all the means of transportation available."

The opinion around the Pittsburgh Chamber of Commerce is that the Ohio River helps to maintain Pittsburgh as *the* steel center, not just one of several steel centers, and that no railroad serving the Pittsburgh district need go farther than that fact. Furthermore the railroad rate structure is based on the existence of a number of large centers of industry and population, not upon a homogeneous scattering of industry, and the services of the river tend to support this structure. They are helping to build up cities like Cincinnati, Memphis and Baton Rouge as distribution centers. These communities become increasingly important users of freight service in their own right. They are heavy freight communities, outbound and inbound, and the river contributes to making them so.

Among railroad executives there is a general attitude toward waterways and a special attitude toward the modernized Ohio. The general attitude influences the special attitude, but an important item

in the feeling toward the Ohio is the fact of its completion and operation. No railroad man appears to expect the roads will recover the long-haul steel traffic on the Ohio, but, on the other hand, no railroad man wants the operation of the Ohio to encourage the enthusiasts for other waterways to believe they can be as successful.

Gen. W. W. Atterbury, of the Pennsylvania, was careful to distinguish between waterways.

"There is no more basis for blind advocacy of unlimited waterway development than for equally blind condemnation of all waterway projects," he said. He holds, however, that duplication of service is wasteful, and that no existing development ought to be duplicated unless it can be shown to be essential and that production costs will be reduced.

President Patrick E. Crowley, of the New York Central, hopes the Ohio will

build up the aggregate of tonnage available to all agencies of transportation. The railroads are already coordinating rail, motor and air transportation and he sees no insuperable obstacles to co-ordinating river-borne traffic along sound economic lines.

President Daniel Willard, of the Baltimore & Ohio which shares with the Pennsylvania the heaviest burden of Ohio River competition, hopes with Crowley that cooperation can be substituted for blind contest.

Charles E. Denny, president of the Erie, takes this position:

"If the waterways are operated on a sound economic basis, are given no unfair advantages, no subsidies, and if they pay their way in trade naturally adapted to them, the railroads will accept their existence. But when, as on the Mississippi, it operates a subsidized line, then the waterway becomes unfair competition. If the rivers charge the proper rates, pay their share of taxes, and are not supported by taxes paid by transportation which cannot utilize the rivers, then we will accept them."

The "unfair advantages" Mr. Denny mentions are probably those more specifically described by the chief engineer of the Missouri Pacific, E. A. Hadley, in an address in Milwaukee last summer.

"The railways," he said, "provide and maintain their own right of ways, roadbed, structures and signal systems. For barge line operations these things are provided by the Government without charge."

Railroads can't use rivers

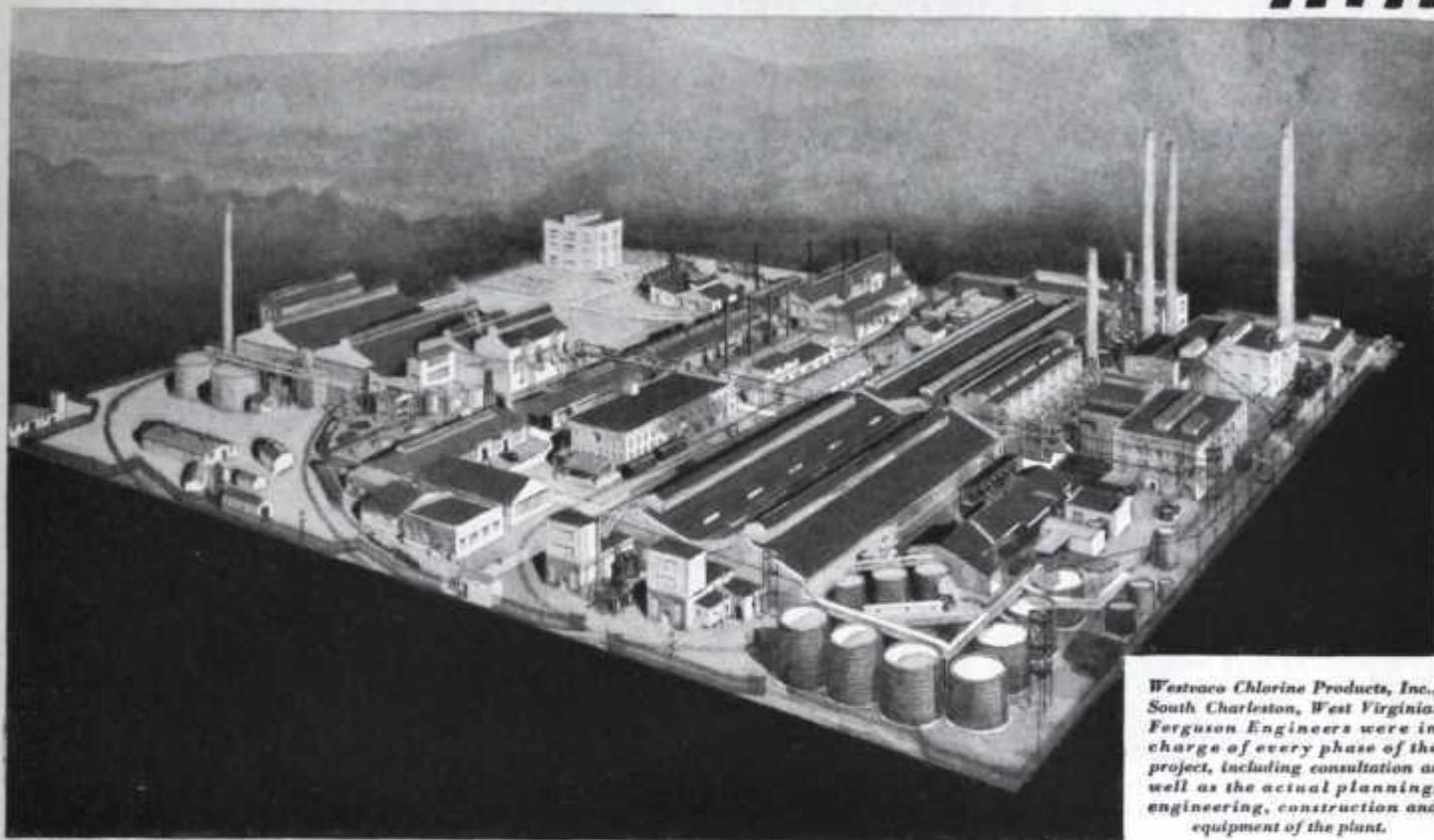
THE free roadbed which river transportation enjoys also irks a vice president of the Pennsylvania who declines to be quoted. One of the curiosities of the Ohio River problem, he told me, is that the railroads, through taxes, help to build and maintain the canalized Ohio, the railroads suffer most from its competition, but the railroads are the only agencies which are not permitted to utilize the river.

It is barely possible, he believes, that in this era of coordination and regulation the railroads may see again the day when they can operate steamship lines. If that time comes they will link together the rail lines and the Ohio as



Dedication of this monument at Cincinnati marked completion of the Ohio's canalization

A world's record promised ... and made



Westvaco Chlorine Products, Inc.,
South Charleston, West Virginia.
Ferguson Engineers were in
charge of every phase of the
project, including consultation as
well as the actual planning,
engineering, construction and
equipment of the plant.

WHEN Ferguson Engineers designed a new extension to this huge chemical works they promised a rate of efficiency which was higher than any known standard. The plant, now completed and in operation, has established a world's record of efficiency for its own highly specialized type of manufacture.

Accomplishments like this are possible only because the experience of Ferguson Engineers has taught them to approach every plant project from the manufacturer's view-point—*dividends on the investment.*

This one organization, including architects, engineers, builders, carries the work through from inception to completion—quickly and economically.

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*"No, I'll eat it myself,"
said Little Red Hen*

The hospital has long recognized entertainment as an important factor in healing. In the past the problem was to provide one entertainment that would be beneficial to all patients. Today the Powerizer Sound System overcomes that difficulty.

Powerizer is controllable and selective; therefore, flexible. The same system will pick up from records or from air broadcasting. The nurse may select any one of the programs offered and adjust the tone and volume to suit the patient's nervous condition.

Complete Powerizer Sound Systems are installed and serviced by our authorized electrostatics everywhere. We would be glad to send you literature telling of its many applications. A few of them are in:

Hotels	Fair Grounds	Dance Halls
Theatres	Skating Rinks	Amusement Parks
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Stadiums	Civic Centers	Railway Terminals
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POWERIZER SOUND SYSTEMS

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Companies



When writing please mention Nation's Business

they have linked bus lines and passenger service. Railways ran packet boats on the Ohio many years, but the Panama Canal Act stopped them.

The central and brutal fact, so far as the railroads are concerned, is that the Ohio River is completed. It may be true, as the chairman of the Pere Marquette, P. M. Alfred, says, that the Ohio can be compared with a crooked railroad of similar length, with less than half the average traffic density, with a badly balanced traffic, but with grades favorable to the heavy movement, and operating at a total cost per ton mile at least twice that of the average railroad.

But the Ohio was in use before any railroad was and its present hold upon the imagination of all the valleys tributary to it is great. Maybe its traffic will continue to specialize, but these specialties will count heavily in the river's support in Washington.

Franklin wrote that rivers were ungovernable things, and he would be right today if he had said politically ungovernable.

The fascination of a river running down to the sea, the broad free commercial route which anybody may use if the Government will but smooth and guard it, is something no politically minded community can escape.

If the railroads had persisted in allowing any person to operate his own carriage over their rails, as one or two of them offered to do in the primitive days, they would have found themselves owned by the Government very early, as the highways and the rivers are owned today. The necessity for government maintenance of rivers arises from their promiscuous public use, and the railroads will find it hard work to convince the public of the unfairness.

The completion of the Ohio and its popularity with the steel companies will be a powerful argument in support of the whole of President Hoover's 9,000-mile waterway program. It is probable that the railroads will have to accept the existence of the Ohio River as part of life's burdens and work on from there.

The Displays that People Notice

THOUSANDS of pedestrians have recently been subjected, unwittingly, to an ingenious series of tests. The experiments were made by displaying pictures, advertisements and other attractions in a shop window on a busy street, with observers, concealed, stop watches in hand. Tables were compiled, the aim being to ascertain the relative attention enjoyed by various displays.

While the tests were made in New York City the results were quite demonstrative of human nature in any American city. Dr. H. K. Nixon of the School of Business at Columbia University was in charge of the experiments.

A vacant store in 125th Street was selected for the tests, since passersby, it was determined, here represented a typical cross-section of New York's population. An average of 18 pedestrians passed the shop every minute.

Commonly held ideas as to the attracting power of certain types of pictures were not entirely borne out. Advertisements were displayed containing pictures of both men and women. Only about a third of those passing glanced in, while only about five per cent stopped. Women were found to pay

more attention to pictures of women, while male pedestrians seemed more interested in the advertisements featuring men. Of 20 pictures that drew the most notice, only half were of figures partly clothed.

Children under ten showed the greatest interest. Adults evinced waning enthusiasm in proportion to advancing age. Colored people paid less heed than did whites.

By the use of decoys it was found that interest could be stimulated—thus testifying anew to the validity of the old follow-the-leader influence. These decoys were a young man and a young woman of good appearance; they proved more effective as a magnet than did the window display alone.

The length of time pedestrians spent looking in at the pictures varied from one-third of a second to a minute and a half, the average being about eight seconds. The hour and weather also figured. Upon the whole, men showed a greater tendency to pause than did women.

Curiously, pictures of people in action proved less potent in fixing attention than did pictures showing people inactive.—BY ANTHONY WAYNE

A Shopper Talks Shop

By EDNA ROWE

FOR a moment this morning, in spite of the rain, I was thrown into quite a festive mood by a "personal" letter from one of our department stores recalling the fact that "it was just a year ago today" that I became one of their charge customers, and saying pretty things about the pleasure of my patronage.

Even though my circular-trained eye knew it to be a form letter and a "clever stunt," still I felt flattered—as though I had forgotten my birthday and a thoughtful friend had "said it with flowers."

TWO of my friends were discussing shops.

"Don't you think H—'s gets out some fascinating advertisements? I almost never throw their letters in the basket unopened. They do have the cutest ideas! Such interesting note papers—such smart drawings. And really I'm nearly always lured to the display or sale or whatever it may be."

"So am I!" Ethel answered. "And when I get there—junk! Their advertisements have the appeal of John Barrymore, and their stock is cheap vaudeville. I used to fall regularly, and endure no-left-turns and traffic to get a first chance at 'the exquisite chiffon model we chose at the Paris opening for just such discriminating women as yourself.' But no more! I'm now convinced that the only really 'smart' thing H— has is his advertising man."

I DROPPED in at Jane's to welcome her home from Europe. She was curled up on the *chaise longue* opening a heap of mail that had accumulated.

"Pretty fast workers," she laughed, tossing me an envelope she had just opened.

It was from a local "School of Languages" offering swift and reasonable mastery of French, Italian, German or Spanish.

I smiled and dropped it in the basket. "Save the price-card," said Jane without looking up. "We may want it, at that. Both John and I felt so frightfully

CAN HOTEL SERVICE BE DIFFERENT?



... just register once at The
NEW YORKER . . . you will see

BLASE Manhattan prepared to take The New Yorker as "just another hotel" and was amazed to find something decidedly different!

For here is not just the largest hotel in the world's largest city...here is a new and quite novel idea in hotel management...extremely hard to describe, because it is built around that indefinable thing called "service."

Amidst the cordial, comfortable atmosphere...a friendly hospitality, refreshingly old-fashioned in spirit, strikingly modern in manner...The New Yorker idea of "individualized service" is creating a new and pleasant phase in contemporary hotel living.

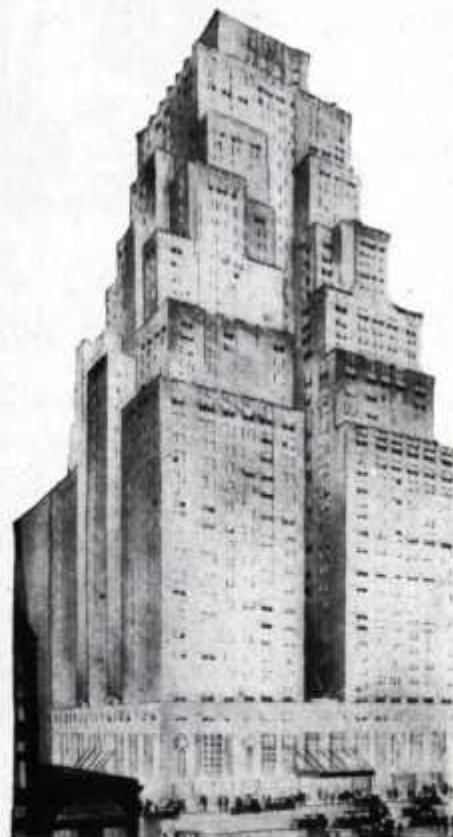
NEW YORKER BONBONNETTES

NEW...delicious candy. Made from unique French recipes. Send \$2 for a souvenir pound box...Add 15c per lb. for postage and packing.

BERNIE CUMMINS

himself leads The New Yorker Orchestra (Exclusive Victor Record Artists)...nightly at dinner and supper in the lovely Terrace restaurant.

THE NEW YORKER has 2500 rooms . . . every one with tub and shower bath, Servidor, circulating ice-water. Four popular priced restaurants . . . floor secretaries . . . located with immediate access to theatres, shops and business . . . direct tunnel connection to Pennsylvania Station . . . B&O Motor Coach connection . . . rates \$3.50 a day and upward, 500 rooms at \$3.50, 500 rooms at \$4. Suites \$11 a day and upward.



THE NEW YORKER HOTEL

RALPH HITZ, Managing Director

34TH STREET AT 8TH AVENUE, NEW YORK CITY



Faster--and far more efficient!

The new American tempo calls for more speed—greater efficiency—better methods. For no small part of tomorrow's profits will come from today's economies . . . Consider your washrooms. With the new "SF" Sani-Dri you may enjoy faster, more thorough drying service, cut your present towel costs 60% to 90%, obtain greater washroom efficiency . . . The new "SF" Sani-Dri is a marvel of thoroughness and durability. It is geared to this new American tempo of speed, economy and service . . . The more you know about electric drying the more you will be amazed by the new "SF" Sani-Dri. Its twelve big improvements make it unquestionably the best drying service obtainable. Mail coupon for complete information.

ELECTRICAL DIVISION

CHICAGO HARDWARE FOUNDRY CO.

NORTH CHICAGO, ILLINOIS

Electrical Division
CHICAGO HARDWARE FOUNDRY CO.
North Chicago, Illinois

I am interested in learning how the new "SF" Sani-Dri will improve our washroom service and save us money. Please send me complete information.

Name _____

Address _____

City _____ State _____

MAIL COUPON FOR FULL INFORMATION ABOUT NEW "SF" Sani-Dri

dumb over there—not speaking the language."

"Obviously you're not the first," I thought, retrieving the card and laying it on the desk.

WAITING for a fitting, I glanced at a copy of *Harper's*. I found an article on "Marriage and Money"—conclusions drawn from a questionnaire analysis made in Chicago. Men and their wives were questioned separately as to whether there is less emotional friction where women have separate incomes—work outside the home and so forth. One most interesting conclusion was that "55 per cent of women married to business men were happy, while no other class came nearer than 45 per cent, and the average of all the rest was still lower."

Business men's wives, then, are the happiest women in America. Of course, we knew that all the time.

FOR the good of womankind, would that all the providers of blank checks would provide the kind with stubs attached. I'm sure I can't be the only woman who often finds the desired article unexpectedly in a strange shop and when unarmed with her check book. Nor can I be the only one who sometimes—with no memorandum except a mental one—neglects to enter the draft in the home check book.

Even the luster of a rare Sheffield teapot may be appreciably dimmed if toward the end of the month comes a little white slip from the bank, although one is "perfectly sure there is a comfortable balance and the bank *must* be wrong—"

PERHAPS many department stores do this. But personally I have found only one—the City of Paris, in San Francisco—which has placed on the counter nearest the main entrance a large, open ledger with pencil attached, and above it the notice, "Customers' Appointment Book. Leave your messages for friends and relatives in this book."

Its discovery was a godsend. My aunt who was to have joined me at 2:30 p.m. was already a half-hour late, and I had to be back at the hotel by 3:15. So, beneath "Mother—Gone to get the car. Back here at 3:00. Elsie," I hastily scribbled, "Aunt Ella—Couldn't wait. Miss Parker in the millinery will show you the hat I meant. Meet me at the St. Francis at 4:00—E. R."

A "guest book" worth having!

The president asks the opinion of his secretary

"Suppose you had the say on the kind of letterhead paper we use—would you have any preference?"

"Yes, sir—I'd ask for Hammermill Bond because I find it easy to turn out good-looking work on that paper."



THE young lady is right. Hammermill Bond *has* the kind of surface that enables each letter, each character on the machine, to register clean and sharp.

And after all, stenographers take pride in turning out the kind of neat-looking letters that make a favorable impression on those who receive them.

So surface is highly important—and in the case of Hammermill Bond it is one of the virtues that have made this *the* standard bond paper.

HAMMERMILL BOND

LOOK FOR THE WATERMARK
It is our word of honor to the public.

FOR EXECUTIVES:

HAMMERMILL PAPER COMPANY, ERIE, PENNSYLVANIA
Gentlemen: Please send me the new Working Kit of Hammermill Bond that is filled with specimen letterheads, samples of the paper in its thirteen colors and white, information and diagrams to help design forms, letterheads, envelopes to match. (Free to business executives anywhere in the United States. Canada 50¢.)

Name _____

Position _____

Attach This Coupon to Your Business Letterhead

They Don't Buy for Quality Today

(Continued from page 62)

impossible to bring themselves to price after years of quality and service, have already succumbed and others, unable to chart a new course are about ready to succumb. They will succumb unless they accidentally stumble upon that new course in casting about for a profitable one.

Other stores, as I have said, are playing the part of the southern gentleman, suh, and will so play that part until their capital is gone and their doors are closed. These stores, capable of charting a new course, are too stubborn to do so.

Some meet the new conditions

A FEW stores, having seen the handwriting on the wall, have retained the vestments of the southern gentleman but are practicing new theories that are shrewd and businesslike, just as a few of the "Colonels" made a quick readjustment after the Civil War. There is one in a neighboring city—a larger city than ours, but with the same conditions.

It is combatting the price trend with considerable tact and sagacity, but at the same time retaining its reputation for quality and service. In other words, it is giving the buyers the benefit of quality and service with price and is showing a swelling list of accounts over the stores that can offer price only, with more doubtful quality and service.

I do not mean that this store is offering price first in all departments. Nor is it doing as some stores have done—taking advantage of its reputation to hand out inferior quality and service for a price. Its plan is merely to offer price in one department at a time, trusting that shoppers will purchase not only in that department, but in others where quality and service are first and price is subordinated.

In other words, it is displaying what seems to me to be a fine brand of tact. It says to its customers:

"Here is a store that for many years has sold you quality merchandise and given you exceptional service. We are still giving you the self-same quality and service. Moreover, we are giving you price."

It proves its statement by holding a bargain sale—in one department. The same quality, the same service, in all

departments and price in the one. Perhaps the store makes no money in that department during the sale, but it brings customers into other departments where it does make money.

Price gets new customers

IT IS perfectly true that shoppers with the bargain idea will go from one department to another in a store, buying here and there, even at a greater price. I do not know why that is unless the bargain atmosphere of the one department spreads to the others as well.

The store, persisting in its one-department sale policy, has something new for its customers all the time. Perhaps this week it will have sales in women's hats and children's hosiery; next week in draperies and floor lamps; in two weeks wash dresses and summer furs. Very few who go to the store to take



Some stores found it impossible to bring themselves to price

advantage of the bargains go out without seeing something they want in some other department.

I presume this store has made money from this policy for it has been advertising these sales for a number of years. Moreover, one never hears of it as a

price store. It still wears its reputation for quality and service; the vestments of the southern gentleman, if you please; but it is acting the part of the modern business man and, evidently, at a profit.

It seems to me that the independent mercantile situation is considerably more tense than any one cares to admit. The independents have the choice of sitting back in dignified silence, talking quality and service, and doing little business; or of getting into the thick of price competition and going broke trying to outdo the chains. Those are the two extremes and most discussion centers about them. Few have realized that there is a middle ground and, until they do, the situation will continue to be tense.

Probably the big cities have enough buyers of quality and service to justify strictly quality and service merchandising; but I am satisfied that in the smaller city where the families of the wealthy can be counted on the fingers of both hands, and where the bulk of the buying is done by employees rather than employers, price, as a deciding factor, has come to stay.

The store, therefore, that manages to create the impression of low price without losing the dignity of its reputed quality and service, is the store that will bring the dividends to its owners.

Price first, then quality

I AM merely an observer. I am not in the mercantile business, and it may be that statistics, of which I have no knowledge, disprove my point that the "Colonel" store must revamp its modes and policies if it is to endure. However, I observe the fact that people are buying price every time I walk through our business district, and statistics or theories, however efficient, cannot surmount facts. And one fact is so evident it cannot be denied—people shop for price first and quality and service second.

The small town merchant who is misled into sticking fast to the traditions of quality and service and subordinating price is driving the majority of shoppers away from his doors. He may make some money but not enough to bring back his old plantation, restore his wide, cool, veranda and enable him to live up to the traditions of his past.



“Sonny,” he said, “you had better keep quiet”

YEARS AGO a boy started working on a railroad. The first advice which he received from an older employe was somewhat like this:

“When they want your advice they’ll ask for it. In the meantime, sonny, you had better keep quiet.”

On our railroad every employe is encouraged to make suggestions. The suggestions come to that boy, who is now the president of our railroad.

Between March 5, 1924, and August 7, 1929, more than 6,500 cooperative meetings were attended by men representing the management and men representing the employes in the different departments of the service. In these five years of meetings more than 30,000 separate suggestions have been discussed.



He helps to make your trip comfortable

One of the first things that is said to a B & O engineer is this: “Try to start and stop your train without jolting or jarring the passengers.” It is our hope that you will know that the train is in motion by seeing rather than by feeling.

Of this total number more than 24,000, or 81 per cent, were adopted.

We who operate the B & O feel complimented when our suggestions are adopted. We try in turn to keep ourselves open-minded toward any suggestion submitted by any passenger or shipper.

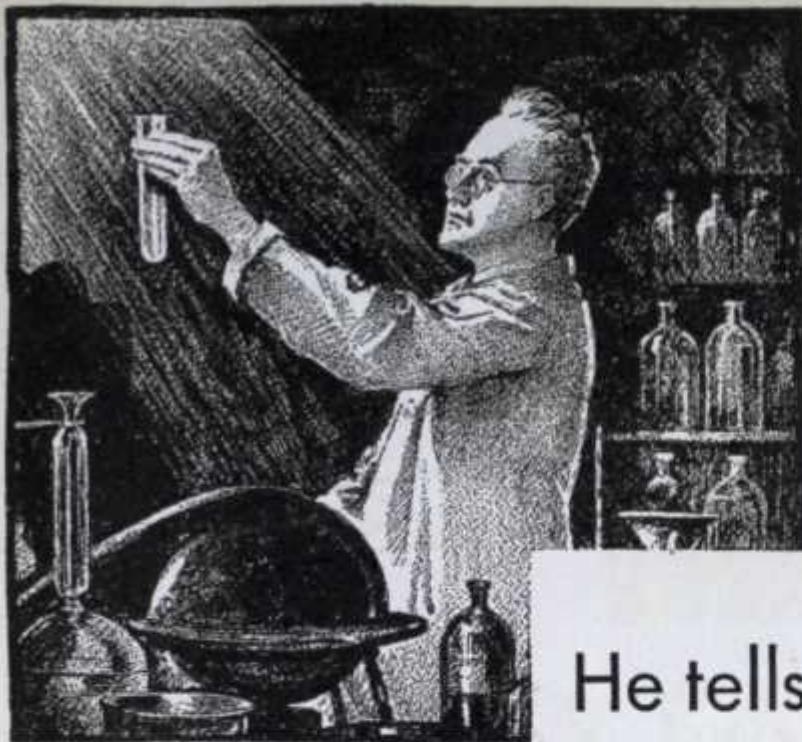
This is an easy thing to say. It is also easy to claim that we try always to render the little extra services that make traveling a pleasure.

The question is, Do we live up to these claims?

We invite you to come and test that for yourself. Ride with us to or from New York, Philadelphia, Baltimore, Washington, Pittsburgh, Chicago, St. Louis, Cleveland, or Detroit. Then you’ll see how we perform.

The B&O

B A L T I M O R E & O H I O



He tells you

How to do it... but

of what avail is the research work of the engineer or the chemist if the methods he lays down for your guidance are not followed precisely during every hour of the working day?

Consider this fact seriously...maximum profits in manufacturing flow only from maximum efficiencies of operation; and the day-in, day-out maintenance of maximum operating efficiencies can only be attained by means of automatic, mechanical control, checked by recording instruments.

Can you afford *not* to use automatic temperature and pressure control instruments? Can any human being hope to equal the never-sleeping, accurate sensitivity of these purely mechanical, never-sleeping servants?

Let us send you an interesting booklet on the subject of eliminating many hidden costs of manufacturing, entitled, "Investments for Immediate Profits." No obligation, of course.

Consolidated Ashcroft Hancock Co., Inc.

Nichols Street, Bridgeport, Conn.
Subsidiary of Manning, Maxwell & Moore, Inc.

CAH CONSOLIDATED SHCROFT ANCOCK **American INSTRUMENTS**

American Glass Thermometers
American Dial Thermometers
American Recording Thermometers
American Temperature Controllers
American Recording Gauges

American Draft Gauges
American Gauge Testers
American Tachometers
Ashcroft Power Control Valves
Ashcroft American Gauges

Consol. American Safety Valves
Consol. American Relief Valves
Hancock Globe & Check Valves
Hancock Inspirators
Metropolitan Injectors

Will You Play Fair with Your Heirs?

(Continued from page 74)

right, then it will be necessary for each stockholder to make a will and to appoint a competent executor and trustee.

It will be the executor's function to solve all the complicated problems arising in connection with the settlement of the estate and it will be the trustee's function, under the will, to manage the net estate and dispose of the income and principal in accordance with the testator's wishes.

Competent management can best be obtained if the stockholder (testator) will appoint a competent corporate fiduciary (trust company) to undertake the task of settling the estate and acting as trustee.

One of the advantages of the Stock Purchase Trust Plan is that it provides a definite market for the stock, thus minimizing insofar as possible the shrinkage to which all estates are subjected.

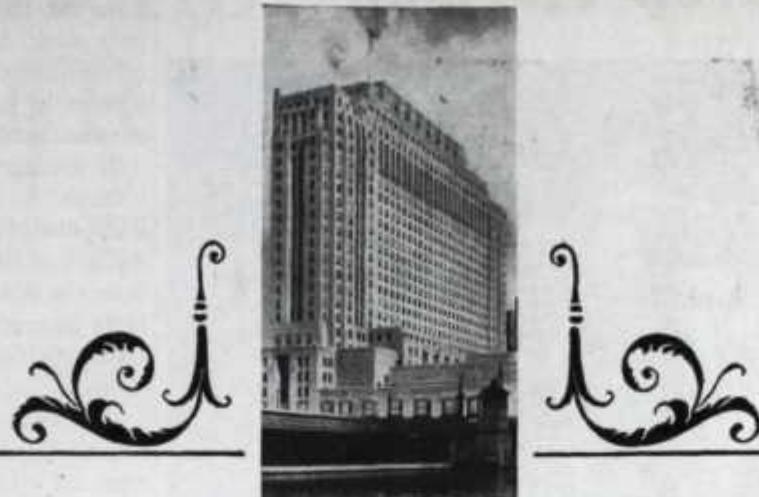
A recent survey made under my direction of estates of \$300,000 and more probated in New York County in a three-year period indicates that this shrinkage averages somewhat more than 25 per cent of the net estate at the time of death.

With a Stock Purchase Trust Plan and with a competent executor and trustee named in advance and with adequate life insurance to minimize the shrinkage and also save some of the best investments for the estate, it should be possible for stockholders of "close" corporations and other business men "to put their houses in order" during their lifetime.

Plan is in common usage

PLANS similar to those of the Trap-light Company are being put into effect every day. In some cases, the agreement is so drawn that the corporation becomes a party and agrees to purchase the stock of a deceased stockholder.

The corporation then creates the insurance reserves and deposits them with the trustee. When a stockholder dies, the trustee delivers the insurance proceeds to the decedent's estate and delivers the stock to the corporation. The stock then becomes treasury stock and the outstanding stock, which is owned by the surviving stockholders, automatically increases in value. This plan, however, is not considered as desirable



A Record Year

During 1929 The Chicago Daily News carried 17,601,993 lines of display advertising, 1,854,343 lines more than any other Chicago daily newspaper, by 350,-117 lines the greatest display advertising volume in Chicago Daily News history.

And the daily average circulation of The Daily News for 1929 was 440,219, an increase of 19,521 over 1928. A rising market for the buyer of advertising.

THE CHICAGO DAILY NEWS

Chicago's Home Newspaper

ADVERTISING REPRESENTATIVES

NEW YORK
J. B. WOODWARD
110 E. 42d St.

SAN FRANCISCO
C. GEO. KROGNESS
303 Crocker 1st Nat'l Bank Bldg.

DETROIT
JOSEPH R. SCOLARO
3-241 General Motors Bldg.

ATLANTA
A. D. GRANT
711-712 Glenn Bldg.

Member of The 100,000 Group of American Cities

UNITED REALTIES, Inc.

"goes Iron Fireman"



Wardman Park Hotel, Washington, D. C., internationally famous center of official life, uses six Iron Fireman Automatic Coal Burners. Other United Realties hotels using Iron Fireman are: Lake Shore Drive Hotel, Chicago; The Grand, Mackinac Island, Michigan; Grove Park Inn, Asheville, N. C.; The Carlton, The Chastleton and Hotel Annapolis, Washington, D. C.

EVERYONE who has a building to heat will be interested in this statement from the letter of October 4, 1929, by Dick R. Lane, President, United Realties, Incorporated—operators of one of the leading systems of hotels in America:

"After several years' successful experience with Iron Fireman installations at the Lake Shore Drive Hotel, Chicago, The Grand, Mackinac Island, Michigan, and Grove Park Inn, Asheville, North Carolina, we are convinced that this automatic coal burning device possesses exceptional merit. For this reason, we have contracted for six installations at the Wardman Park Hotel; two each at The Carlton and Hotel Annapolis, and four at The Chastleton, Washington, D. C.

"In addition to the fuel economies which have been accomplished, we are glad to report that your service has been very sat-

isfactory. The results obtained from these stokers have been very gratifying to us and to the patrons of our hotels and apartments. We have reduced the smoke problem to the minimum in all the properties using the Iron



Fireman. It gives us pleasure to recommend your automatic coal burner for heating and power operations."

What Mr. Lane of this great hotel company learned about Iron Fireman is being paralleled in practically every industry in America today. Write for literature. Iron Fireman Manufacturing Company, Portland, Oregon - Cleveland - St. Louis - Chicago - New York. Dealers in principal cities throughout United States and Canada.



"Forced Underrating"—the scientific principle employed by Iron Fireman—is efficient and economical. Hand firing is wasteful, like burning a candle upside down.

IRON FIREMAN

AUTOMATIC COAL BURNER

...the machine
that made coal
an automatic fuel



as that in which the individual stockholders agree to purchase the deceased stockholder's stock.

In some states, corporations do not have the legal power to purchase their own stock. In others, as in New York, corporations have that power but are limited to purchasing the stock out of surplus funds only.

If the agreement is among the individuals, it is my understanding that there should be no question regarding the legality of the transaction, and, therefore, the stockholders should have complete assurance that the agreement will be carried out in accordance with its terms.

A similar plan has been devised for liquidating partnership interests. In this case the trustee is not essential. However, the general opinion seems to be that it is worth while to have a disinterested party to the agreement so that an impartial performance under its terms can be obtained.

Solving the problem in advance

WHEN stockholders of a "close" corporation enter into a stock purchase trust agreement they in fact anticipate the solution of a problem which is certain to arise at the death of a stockholder. It is also important for them to anticipate the solution of a problem which will also arise if a part owner desires to withdraw from the business during the lifetime of the interested parties.

The agreement can provide that the individual who desires to withdraw shall first offer his interest to the others before offers can be made to outsiders.

The Stock Purchase Trust Plan and the Partnership Liquidation Plan, although comparatively new, are playing important parts in the business world today. Stockholders in "close" corporations and members of partnerships quickly realize that these measures add greatly to the financial stability of their companies.

Therefore, part owners of business concerns make provision in this direction just as they do for a line of credit with their bankers, the fidelity bonds on their employees, the fire insurance on their plant and equipment, the public liability insurance.

It is my belief that no corporation or partnership is really fully protected without some form of definite agreement among the interested parties in connection with the disposition of the interest of one of the parties at his death.

ONLY THE NATIONAL CASH REGISTER COMPANY

...CAN SERVE BUSINESS IN THIS WAY



THE USERS of National Cash Registers and National Accounting Machines know the advantages of the service that only The National Cash Register Company can give.

To many it has meant the difference between success and failure, for it has uncovered hidden leaks and losses and pointed the way to greater profits.

National Cash Register service starts with an analysis of a business . . . based on knowledge gained in half a century of helping the business men of the world solve their problems.

It includes a complete line of modern business machines which meet and fill the specific needs of every business, from the smallest store to the largest bank.

It puts these machines within the reach of every business. National Cash Register products are priced from \$60 in the U. S. A. They may be bought on convenient terms without interest charges and with liberal allowance on machines taken in exchange.

National Cash Register service continues after the sale. Through offices in all principal cities, it is always available to every user of a National Cash Register or a National Accounting Machine, guaranteeing full benefit and satisfaction.

This service is important to you as a business man. It may help you to build your business—as it has helped thousands of others. It is waiting for you at the nearest National Cash Register office. Call or write today.

THE NATIONAL CASH REGISTER COMPANY

World's Outstanding Producer of Accounting Machines and Cash Registers

DAYTON, OHIO

NEWS OF ORGANIZED BUSINESS

By WILLARD L. HAMMER

Promoting Kentucky

STRICTLY speaking, the Kentucky Progress Commission, created by the 1928 Kentucky Legislature, is not an organized business; but in organization it is roughly comparable to a state chamber of commerce.

The Commission was organized to promote development of the state, making a general study of its resources, facilities and advantages. For the first year \$50,000 was appropriated for advertising the advantages and attractions afforded by this Commonwealth.

One of the most important things done by the Commission was the founding of *Kentucky Progress Magazine*. Another noteworthy activity has been the preparation of a motion picture showing the attractions and resources of the state.

Many interesting facts about Kentucky are developed in the first report of the Commission.

Virginia Studies Taxes

THE Virginia State Chamber of Commerce committee on taxation has just made public a report entitled "A Review and Analysis of the Reconstruction of Virginia's Tax System." The recommendations made, we believe, will be interesting to secretaries of other chambers wrestling with the same problems—and what chamber isn't?

The report reviews the "phenomenal and unparalleled progress" Virginia has made in modernizing her tax structure since 1925, and recommends among other things that:

The State should make liberal provision for research in taxation. Problems of taxation require careful investigation, and the State is the only agency that can afford the expenditure necessary for adequate and continuous research.

The State should adopt as soon as practicable an equitable plan of taxing forests. The general property tax is, for various reasons, not adapted to this form of property.

A change in the forms of the state inheritance tax, with liberal exemptions to beneficiaries, would simplify administration and remove many of the complicated

problems arising under the present inheritance tax law.

Steps should be taken to bring about a uniform reduction in the rates on tangible personal property. A reduction in the rates and equitable assessment would probably result in increased revenues from this source.

The Virginia Chamber further recommends that the tax system be simplified by the elimination of minor taxes which are relatively costly to collect.

A New Business Magazine

ACCORDING to a recent announcement by the Los Angeles Chamber of Commerce, *Southern California Business* is to have a new editor, James H. Collins, whom many of our readers know as a frequent contributor to NATION'S BUSINESS. This move is in line with a plan to extend the scope of the magazine. To quote the announcement in the Los Angeles Chamber of Commerce *Bulletin*:

It is proposed to develop *Southern California Business* to do for southern California what NATION'S BUSINESS does for country-wide affairs. Mr. Collins has for more than 20 years written for the leading magazines of the country including *The Saturday Evening Post*, *Country Gentleman*, *McClure's*, *Every Week*, NATION'S BUSINESS, and many trade and special publications.

Making Gifts of Gobblers

THE Chamber of Commerce of Sullivan Mo., last year distributed turkeys to the farmers of the surrounding territory. Distribution of pure-bred live

stock has been made for several years through the cooperation of retail merchants, partly to stimulate the retail trade but more to improve the stock in the community. The 50 turkeys were given in order to stimulate the raising of turkeys for profit.

In the talks that were given the farmers along with the turkeys, one speaker developed the fact that turkeys can be marketed more profitably in a cooperative way and should be home-dressed.

The distribution of cattle in previous years has made the vicinity of Sullivan one of the best dairying communities in the state. It is hoped that the distribution of turkeys will add this money-crop to the farm communities.

Cable Addresses

THE American Chamber of Commerce of Shanghai, China, writes to tell us of the importance of putting cable addresses and cable codes used on letter-heads if a firm is doing any export business.

When the cable address and list of codes used are not easily obtainable by a firm wishing to place a quick order, codes, addresses and messages must be cabled in full—a very expensive method.

As Continental manufacturing and wholesale houses even when they are unimportant, always state their cable addresses and codes used, they frequently have an advantage in getting export business.

Where Business Will Meet in March

(From information available February 1)

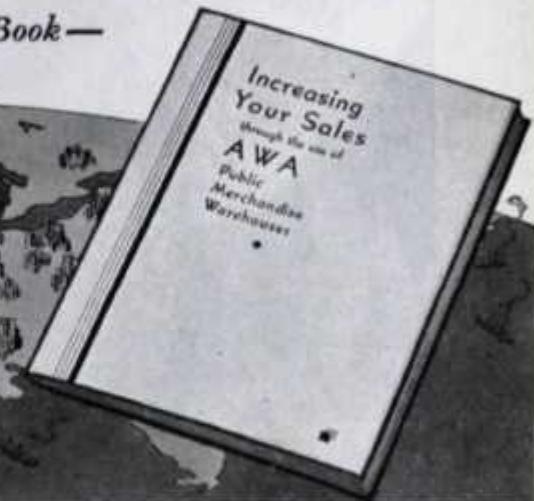
3-6	National Railway Appliances Association	Chicago	Coliseum
9-10	Pennsylvania, New Jersey & Delaware Wholesale Grocers Association	Philadelphia	Bellevue Stratford
11	National Association of Manufacturers of Pressed and Blown Glassware	Pittsburgh	House Building
11	New England Association of Boiler Manufacturers	East Boston	Box Hotel
wk. of 17	Bakery Equipment Manufacturers Assn.	Chicago	
19	National Association of Waste Material Dealers	New York	Hotel Astor
24-26	Southern Pine Association	New Orleans	Roosevelt Hotel
27	Dairy Products Association of the Northwest	Saint Paul	Athletic Club
29-4/3	Society of American Florists and Ornamental Horticulturists	Minneapolis	Municipal Auditorium



To Manufacturers in Search of Profitable Markets...

HERE'S REAL HELP!

Write today for this **FREE Book**—



RIIGHT now you probably know of many existing sales opportunities... if only you had spot stocks in marketing centers throughout the country—territories which you'd like to develop, but have not cultivated because you have no "branch" there. And you feel you cannot afford the expense or the man-power to organize a branch.

If that is your situation, A. W. A. Public Merchandise Warehouses offer an economical solution to your difficulty:

Send on your goods and your salesmen, and we will do everything for you that your own branch house could do in the physical distribution of your goods! And we'll do it for less than it would cost you to operate a branch!

Complete "Branch House" Service

We will receive your merchandise in carload or less-than-carload lots... store it for you at our member warehouses in any of 189 cities throughout the United States, Canada, Cuba, Hawaii... and will then distribute your goods for you as you wish.

We will receive orders from your head office, your salesmen or your customers... assemble from stock, pack, mark and ship your goods on the day the order is received... using your name as shipper to preserve your identity with your customers. If you wish, we will make "store door delivery" in any or all of our 189 cities and their suburbs... and arrange for store door delivery in the smaller towns of our respective trade territories. Your representatives may even use our warehouse offices for

receiving mail and telephone calls, if you wish!

We will report all shipments or deliveries of your merchandise on the day they are made; and follow it at the close of each month's business with a stock report. If you furnish a list of your customers whose requisitions are to be honored direct, we can save days of time in filling orders.

Important Freight Savings

And wherever you are now shipping your goods in less-than-carload lots, we can help you arrange for carload shipments to a central market... then break up your carloads into smaller lots for reshipment a short distance to final destination. Your saving in freight will be large and you will speed up delivery by days or weeks.

This is the sort of thing our member warehouses are doing every day of the year for Beech-Nut, Bon Ami, Borden, Carnation Milk, Colgate, Comet Rice, Karo, Mazola, Argo, Linit, Flit, Vacuum Oil, Federal Match, Kotex, Hoover Sweeper, Lux, Rinsol, Lifebuoy Soap, Mellin's Food, Postum, Ivory Soap, Quaker Oats, Tanglefoot, Vick's Vapo-Rub... and thousands of other products, made by manufacturers large and small. These nationally-known distributors have successfully used our services for years to distribute their products economically. Possibly the same plan of distribution will help you! We invite you to investigate.

Our booklet tells all about it. Send today for your free copy.

Public Merchandise Warehouse Division

American Warehousemen's Association

1701 Adams-Franklin Bldg., Chicago, Illinois





Quick Facts Close Critical Sales

THE prospect, pen poised, asks "How much?" No time, now, to fumble until he says "I'll think it over." Now is the fleeting instant when swiftly-produced figures will close the sale.

Are your salesmen equipped with the kind of price books that give ready facts and figures the minute they're wanted?...The kind which by their appearance as well as their performance reflect credit upon your firm?...The kind that keep on looking well in hard, grueling service?

National steel-hinge ring books with solid leather covers wear longest where ordinary books give out first. Their fibre backs, colored and grained to match the leather, are firmly anchored through to the back mechanism. Their smooth, polished, oval-section rings hold sheets firmly in place, or open wide at the touch of thumb-levers to admit new sheets. Their celluloid indexes make finding figures a matter of the instant.

Hundreds of sales forces are equipped with National steel-hinge price books. Why not yours?

National PRICE BOOKS For Fast Sales Facts

NATIONAL RECORD-KEEPING EQUIPMENT

Bound Books · Loose Leaf · Visible Records
Machine Bookkeeping Equipment

Your Stationer can tell you about National Steel-Hinge Ring Books. Or send this coupon for complete information to
NATIONAL BLANK BOOK COMPANY, Department 5-Q, HOLYOKE, MASS.

Name _____

Firm _____

Address _____

Television Used in Advertising

A NEW giant has come to join the advertising ranks of business—the radio motion picture film. Developed by C. Francis Jenkins, noted radio engineer of Washington, it is being used to-day to advertise nationally known products.

The advantage of radio motion picture advertising will lie in its nationwide, simultaneous, brief, visual presentation of the merits, the quality or superiority of this or that particular product.

Picture and sound combined

THIS is accomplished by making a film of the product to be advertised and converting—while in motion—the light values of the images thereon into electrical ones and amplifying them. These are carried into the home on a radio-carrier wave, where they are received by a combination picture and sound receiving set, and reconverted into light values.

Newspapers, magazines and other public-print forms of advertising need not look with alarm upon the advent of radio motion picture advertising, or television advertising, of which it is the forerunner. In the first place it is doubtful if price advertising can be presented successfully by the new medium. And price advertising is one of the greatest drawing cards of business.

Again, only nationally known products will likely knock at the door of radio motion picture advertising. Again, radio motion picture advertising and television advertising must convey their messages by the quasi-educational or entertainment route. Further, it is believed no one manufacturer will be on the air every night.

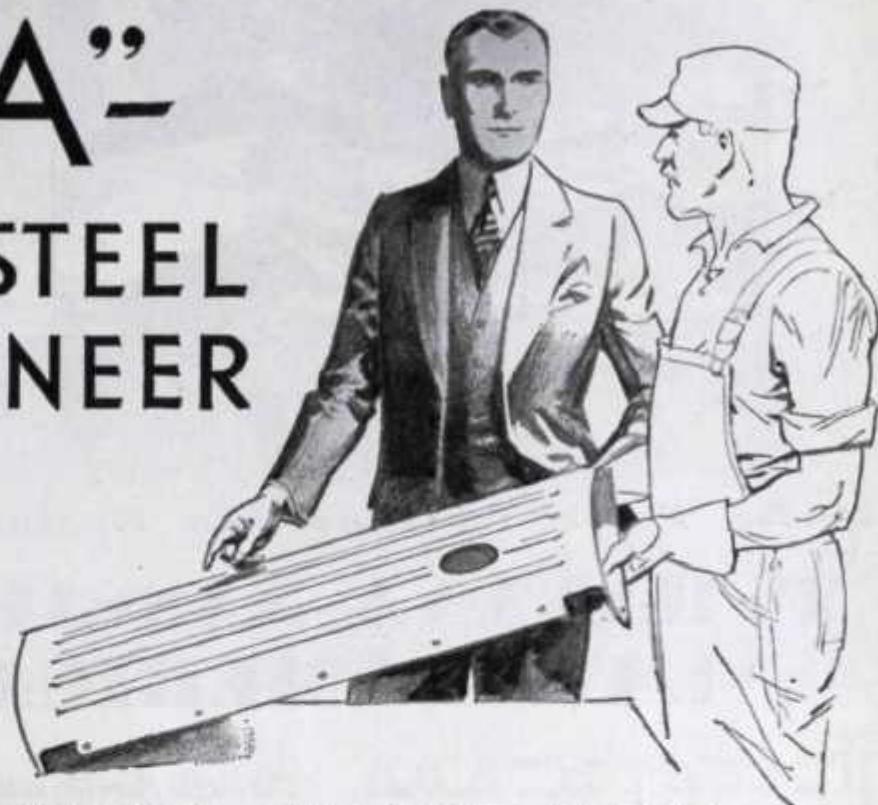
An aid to printed advertising

NEWSPAPERS and magazine advertising copy should increase with the development of radio motion picture and television advertising.

In fact, the outlook for advertising, as a result of the advent of the radio motion picture and television, is brighter than ever before. These two new advertising media will supplement newspaper and magazine advertising and will accomplish through visual impressions something for them that they themselves have never been able to accomplish.

—JOHN L. COONTZ

“PRACTICAL DATA”- SAYS THE NEWSTEEL ENGINEER



“IS THE BEST CURE FOR SHEET TROUBLES”-

A CERTAIN manufacturer consulted the Newsteel Engineer a few months ago about a sheet steel part for his product which required difficult stamping for recesses and beading. His trouble was an 8% scrap loss due to breakage during this operation. The Newsteel Engineer's study resulted in the specifying of a steel sheet that reduced the scrap loss to less than 1% in a hundred thousand sheets. Such Newsteel Engineering results are based on definite practical data. They prove that sheet steel troubles are often at the bottom

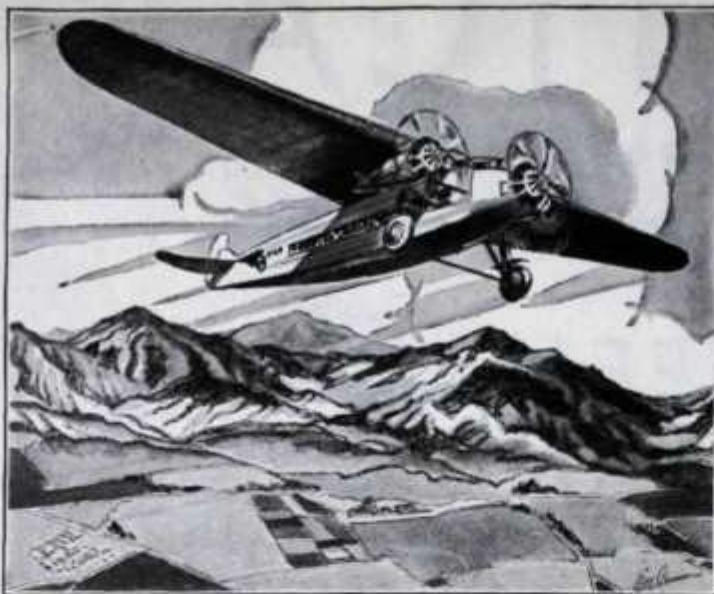
of many complex production problems involving material waste, defective results and time and labor costs . . . and that the proper individually developed steel sheet is the cure. Let the Newsteel Engineer determine the right steel sheet for your product. A conference may bring invaluable suggestions. Quality Newsteel Sheets . . . Automobile, Steel Furniture, Full Finished, Full Pickled, Single Pickled, Black, Blue Annealed, and Copper Bearing . . . are the basis of the Newsteel Engineer's specifications.

THE NEWTON STEEL COMPANY, YOUNGSTOWN, OHIO

Detroit, Cleveland, Chicago, New York, Indianapolis

Plants at Newton Falls, Ohio and Monroe, Mich.

NEWSTEEL 
THE ENGINEERED STEEL SHEET



Faster Travel for American Business

To HAVANA—NASSAU LATIN AMERICA

FOR pleasure jaunt or business trip, try this faster way to Havana, Nassau and Latin America. The business traveller boards a speedy train in his home city, with a through ticket and through reservation all the way to his destination. Transferring to Pan American airliner at Miami or Brownsville, Texas, he proceeds with uninterrupted speed and comfort to points on the 12,000 miles of Pan American airways.

The fastest steamers require 17 days for the New York to Buenos Aires voyage. Mail and passengers cover the same distance, via the Pan American System, in six days less. Time savings to other points are also noteworthy.

Pan American Airways reaches 21 different countries in Latin America, over the most extensive airways system in the Western Hemisphere . . . to and through the West Indies, Central and South America, with a frequent, scheduled service, on a par with that offered by America's finest trains.

Companies or individuals doing business in Latin America may procure complete schedules and tariffs for both mail and passengers to and from the countries in which their interests lie by applying to Pan American Airways, Inc.

Railroad ticket offices and principal travel bureaus can supply through tickets and reservations. To avoid disappointment, make reservations well in advance.



PAN AMERICAN AIRWAYS, Inc., 122 East 42nd Street, New York City

PAN AMERICAN AIRWAYS

How Britain Learned About Investment Trusts

(Continued from page 46)

of 8,350,000 pounds; the dividends paid absorbed 6,208,000 pounds and the balance, 2,142,000 pounds, or 25.6 per cent of the sum available, was put to reserves or kept in hand.

As long as these principles are rigidly maintained and reasonable care is applied to the selection of securities, the ordinary stockholders are bound to do much better than the average investor.

Under the British system the issued capital of a trust is usually split into 60 per cent of preferred (generally carrying a cumulative five per cent dividend) and 40 per cent ordinary. Many British trusts issue five per cent debentures which they can place at a small discount. They also can borrow from their banks, usually at one half per cent above the bank rate. By earning an average of six per cent or so they can produce a comfortable margin for the ordinary stockholder.

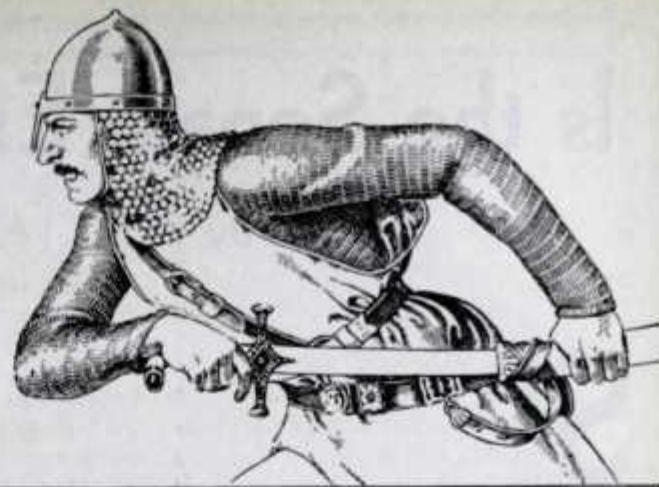
A young trust—a two-year old—in which I am a small stockholder, lately produced its second report. It had earned six per cent on its total holdings, paid five per cent on preference and debenture stocks and probably five and one half per cent on its overdraft, and could have paid nine per cent on the ordinary. Instead of which it paid five per cent, keeping back and reinvesting for the shareholders more than 46 per cent of the available balance, so giving them the benefit of compound interest.

Conducted on these principles, investment trusts cannot go far wrong, as long as they avoid the fatal error of trying to be too clever.

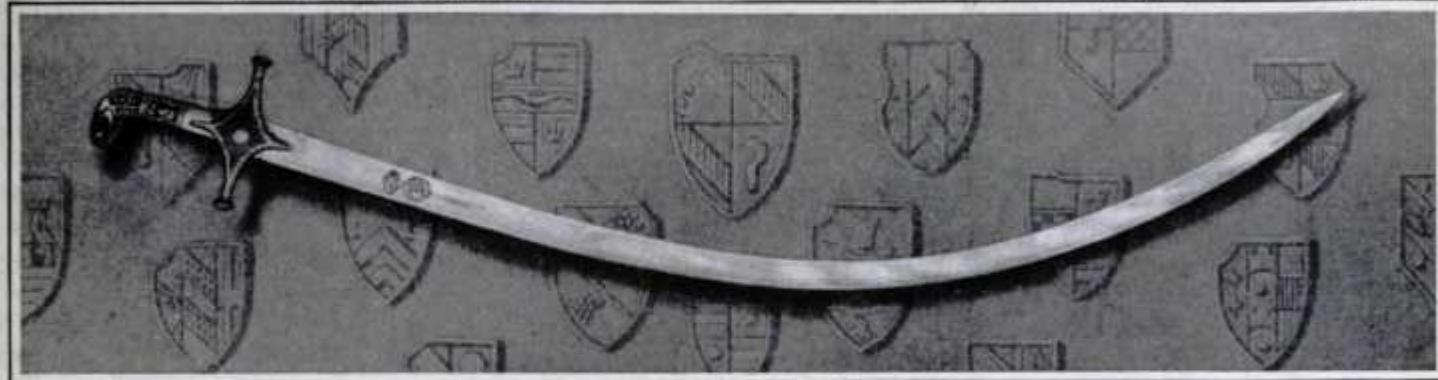
What experience has shown

FINALLY, let me tell you how an investor would have fared who bought the ordinary stocks of nine British investment trusts 20 years ago. His aggregate dividend would have risen steadily from 5.4 per cent in 1910 to 6.9 in 1915, dropped to 6.8 and 6.6 in 1916 and 1917, and since then would have risen without a break (except from 8.9 to 8.8 in 1922) to 14.3 in 1929. On September 30 last, with the stock markets depressed in London, the Hatry collapse and other factors, his investment would have been worth 304 pounds for each 100 pounds originally put into it. These figures speak volumes for the success of investment trusts under sound and prudent management.

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. . . could not equal
the special steel in Simonds fine cutting tools

TREASURED by kings and warriors of old, weapons of finest steel were often the proudest possessions of an empire. Yet even the steel in the famous Damascus blades cannot equal the special alloy steel used in Simonds products.

With medieval swordsmiths, the choicest blades were the result of patience, perseverance...and luck! Today, Simonds uniform alloy steel is the product of scientific methods, modern facilities...and precision.

Each step in the making of Simonds electric furnace steels is controlled by specialized knowledge aided by the most complete equipment known in the steel industry. In the Simonds research department, metallurgists are constantly making tests to insure uniformly high quality. Simonds pioneered in developing the special cutting steels demanded by present-day production methods.

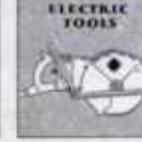
The perfection of Simonds electric furnace steel was the answer to the problems of maintaining the exacting standards of quality and uniformity for Simonds products. Consequently the name, Simonds, is recognized as a mark of perfection...the symbol of modern master-craftsmen...just as years ago the initial of the Damascus sword-maker meant unquestioned superiority.

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Is the Senate Exceeding Its Power?

By WILLIAM STARR MYERS

Professor of Politics, Princeton University

OME MONTHS ago one of the most popular United States senators, contributing to a metropolitan newspaper, discussed the position of the Senate as a leading organ of government. He made the statement that the Senate at present stands as high as at any period of its existence, when judged from the standpoint of the ability of its members, and that it never was more popular with the citizens.

The senator, being in intimate contact with the membership of that august body, may be in a position to judge the mental capacity of its members. The present critical attitude so prevalent among the more observing of our people, when discussing these statesmen, may be entirely a matter of misapprehension.

It is worthy of note, however, that certain senators who glory in their self-imposed responsibilities as protectors and leaders of the people, fail at times to impress their own influence on their adopted clients.

Concerning the other part of the statement, that the Senate stands at the height of its popularity, it is probable that the exact opposite is true. The senator who wrote the article possibly does not know the real state of public opinion in this country, for one of the great phenomena of the present is the absolute decline, in popular esteem and influence, of that upper House which likes to describe itself as the "greatest legislative body in the world."

Not only in newspapers and magazine articles, but in every-day conversation it is common to hear most critical, even hostile, remarks about the Senate as a body.

Not thoroughly representative

FOR years students of political science have pointed out that in accepting the old orthodox theory of "separation of powers," or checks and balances as it is sometimes described, the makers of our Constitution violated those principles of representative government that are generally supposed to be absolutely

necessary if a system of popular representation is to function.

These principles are a face-to-face meeting of the executive and legislative officials and the control, but not the direction, of the budget by the legislative body. Also, it is usual to find a restraining and revising hand laid upon the "lower" or more popular House, the one thing that is more powerful in all other governments of a democratic character except those of the United States and Japan.

A lack of cooperation

THIS is accomplished either by an "upper" House, with reviewing and delaying but seldom determining powers, or by a strong executive. We have both these restraints in the United States, in our ever more influential office of President and in our historic Senate.

This condition is bound to lead to a lack of unity and sympathy and also to rivalry between President and Senate. They are made necessarily competing authorities by their very constitutional positions. The further results have been a potential rivalry and friction at all times, and the natural resort to partisanship by those not entirely in tune with the policies of the administration or the party dominant at the polls. The period from Cleveland to Hoover shows repeated illustrations of this unfortunate situation.

It should be admitted that human as well as political nature makes inevitable the attempt to preserve untouched the privileges and prestige of the Senate which has become sensitive because of the growing popularity and power of the President. He now is looked upon as the great national representative institution, for whom all the people vote, but added to this is the fact that recent changes in population and wealth have resulted in the principle of "state" representation being warped to a condition dangerously near that of "rotten boroughs."

The criticisms of Mr. Grundy, of Pennsylvania, concerning backward and dependent states, have just enough truth

in them to make them hurt. The recent protest that arose from certain western states and statesmen is ample proof of that. But it is little short of wild to think that, in the near future at least, any attempt will be made to change the historic system of equal state representation in the Senate as prescribed by the Constitution. This is, of course, provided that the senators from those states "keep their heads" and remember that they are *senators of the United States*, and not merely ambassadors of local interests.

A matter of supreme importance is the fact that the Senate must "investigate," to find out just what is going on, and also to get into closer touch, although even a hostile one, with the various officials in our enormous aggregation of executive administrators. For this reason we have welcomed the beneficial results that have come even from the oil and tariff investigations—and that in spite of the partisan and narrow way in which at times they were conducted.

Partisan investigations

THE usual cabinet system of executive and legislative unity, such as pertains to the most successful popular governments in the world, ourselves excepted, would have procured the presence of Secretaries Fall and Denby, or Attorney General Dougherty on the floor of the Senate, with the give and take of charge and countercharge and open debate.

The public then more easily could have come to a better and more accurate estimate of the exact rights of the case, and justice on all sides could have been done. We have not this system, but the spectacle of the valuable and important power of legislative investigation sometimes brought down to a basis of cheap and unfair partisanship. This, in turn, caused disgust and consequent indifference among our intelligent citizenship, and an astonishing disregard of the investigations when these same citizens later went to the polls.

But there is still another side to this matter of senatorial investigations that



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is so deplorable and so un-American, so subversive of the very safeguards of individual rights of our citizens, that it deserves the careful thought and attention of our entire people. This was well brought out, and in condensed and clear form, by an editorial in the *New York Times* of October 27, 1929.

Said the *Times*:

One of the recognized functions of a legislature, or of Congress, is to act at times as a Grand Inquisitor. In that capacity it has almost unlimited powers. It can demand books and papers. It can fling wide its subpoenas. It can disregard the rules of evidence. To witnesses under examination it can deny the ordinary rights of being represented by counsel. It can admit to the record whatever it likes and shut out what it does not like. Often in the course of its investigations it has done wrong, and sometimes injustice, to individuals, in a way making it very difficult if not impossible for them to find a remedy. When this great organ of enforced publicity gets going, it is apt to ride remorselessly over all opposition.

These eminently sane, restrained and yet pungent remarks are of great import concerning the very fiber of our national institutions. It is hardly an exaggeration to say recent experience shows that the injustices perpetrated by George III before the American Revolution were but little worse than some that recently have been threatened by senatorial investigating committees.

If these committees have the unrestrained rights that some people say, and the courts seem to admit that they have, no man, woman or child in this country is safe from their whims. The ancestors of some of us gave up everything they had on earth, including life itself, to protest against or prevent the exercise of autocratic authority, which is entirely opposed to the spirit and the letter of the English Common Law. Bruised and wounded in the house of its friends as the latter may be at present, it is supposed to be the foundation of our institution of popular rights and individual freedom.

"A measure of the absurd"

IT would seem that one of the most fortunate characteristics of our American people is a sense of humor. A measure of the absurd surely was reached in the following colloquy during the clash between Senator Caraway, of Arkansas, and Royal D. Meade, advocate of a sugar tariff, as reported during a recent session of the Tariff Investigating Committee of the Senate:

SENATOR CARAWAY: Ought anybody to respect a law that was bought?

MR. MEADE: Certainly not.

THE SENATOR: Then why should the public have any regard for a law that you buy?

WITNESS: We are not buying a law.

THE SENATOR: You said you were trying to influence public opinion with your money.

WITNESS: But we are not trying to buy legislation.

THE SENATOR: Is there any difference in so far as good morals are concerned, in paying out your money to change public opinion so that opinion may be reflected in legislation that will put money into your pocket and doing what put Mr. Fall in the shadow of the penitentiary?

WITNESS: I think there is a great difference.

On this testimony the *Brooklyn Eagle*, November 18, wisely commented:

Technically, all agitation to establish a right or to end a wrong demands the use of some money in our civilization. There is no way of putting one's views before the American public that is not costly. Newspapers, magazines, mailed pamphlets run into money fast. Perhaps radio broadcasting is most expensive. To assume that money spent to influence public opinion is as much an offense against good morals as the cash buying of legislators is what might be called Arkansas logic. The highest interests of the community call for free discussion of every question from every point of view. The only qualification that has to be considered is fairness. Unfairness is always immoral. Untruths are always immoral. Granted fairness and truth, the man or the corporate interest that tries to influence public opinion is not merely justifiable but commendable.

The treatment of Mr. Grundy of Pennsylvania by the same committee probably was the source of popular reaction among citizens of Pennsylvania which resulted as a determining cause in Mr. Grundy's prompt appointment to the Senate. The like treatment of Fred I. Kent, of the Bankers Trust Company of New York, of Julius Barnes, of the United States Chamber of Commerce, and other recent happenings in the course of the investigations of this same senatorial committee have left a bad taste in the mouth of people who still prize restraint and self-control.

The matter of senatorial jealousy of the President already has been mentioned. Probably it is just at this point that the actual results of the bad attack of "investigationitis" on the part of certain Senators will have its most immediate results. It would seem that history probably will parallel if it does not repeat itself. This is due to the popular suspicion that above and beyond all other objectives, the partisan type of investigation is directed to the purpose of "putting Mr. Hoover in a hole."

Let us take the first parallel, that of

Alfred E. Smith and the Republicans of New York. During most of his terms Governor Smith faced a hostile majority in the legislature. Certain Republicans followed the policy of opposing the Governor on all matters, right or wrong. The sound political strategy for the Republican leaders would have been to support him when right and oppose him when wrong.

By following the contrary policy of opposing him right or wrong, these Republicans lost the confidence of the voters, who knew the Governor was right on certain occasions. Governor Smith's repeated success at the polls in state elections was the logical result.

A second parallel is that of the Democrats and "Progressive" Republicans in the United States Senate in 1923-24. Mr. Coolidge went before the country with a well-thought-out plan of tax reform and reduction, and he also opposed the soldiers' bonus. By a coalition, the Democrats and "Progressives" so maltreated the financial plan that it was practically unrecognizable, and they passed the bonus even over a veto.

The critics are confounded

THEN the self-styled "intelligentsia" and the so-called "journals of opinion" began to discuss the "Coolidge myth," but they were speedily reduced to astonished dismay by the overwhelming sweep which the people gave Mr. Coolidge in his reelection.

Is a third "parallel" under way now? Instead of formulating a well-considered plan of tariff revision, and then standing by it no matter in what difficulties the Republicans might be through their failure to follow the leadership of President Hoover, the Democrats in the Senate again appear willing to become the tail to a "Progressive Republican" kite. They have lost no opportunity to discredit the administration, right or wrong. Some of them even have endorsed such inanities as the "debenture" scheme and the partisanship resulting in the present attack of "investigationitis."

They have succeeded in lowering a perfectly proper function of the legislative part of government into a modern replica approaching the old hated and discredited Court of Star Chamber, so well understood and consequently wiped out of existence by the ancestors of a moiety of the American people.

Will history repeat itself? The recent and marked increase in the popularity and influence of Mr. Hoover would seem to indicate some such result.

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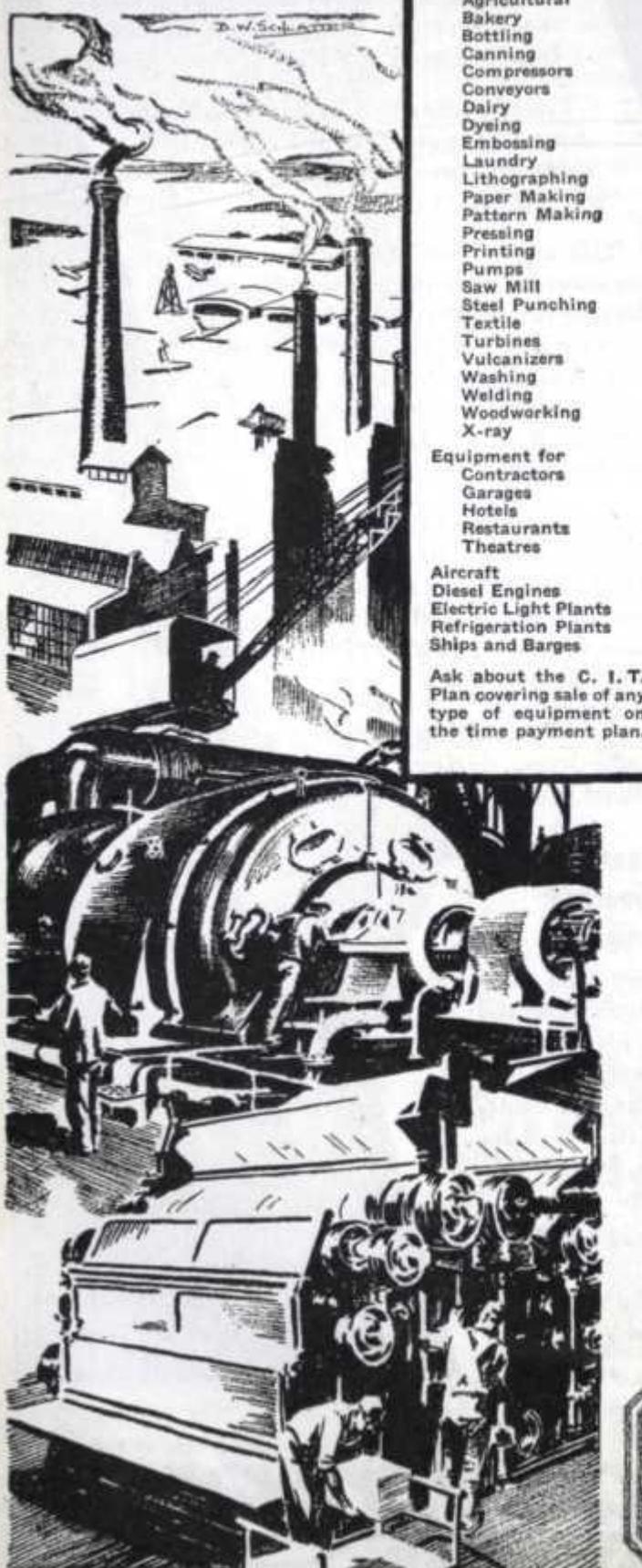
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What Wall Street Is Talking About

By MERRYLE STANLEY RUKEYSER

THE midwinter American sport has become a nation-wide quest for a statistical abstraction—the bottom of the curve measuring the trade recession.

And curiously enough, the event may have been reached unbeknown to the multitudes who are searching for it. "Bottom" is, of course, a relative term, which must be tested not only by what has gone before but also by what comes after. The historian will have to check up on the forecaster. Definitive statistics, even of past performance, lag about a month behind, forcing the business man and the speculator to rely somewhat on surmise.

President Hoover dramatized the longing for the turn by calling attention in the White House to an upturn in employment as the new year got under way. The Business Survey Conference concurred in the view that business needed no artificial stimulants. Other significant data, including the consumption of the compound known as babbitt, which is used to make the wheels of industry go round, indicated a substantial recovery in basic industry from the December low levels. The period was marked by a disappearance of the unreasoning fears, which were unloosened last fall during the Wall Street panic.

Irrespective of coordinated plans for business progress, one old-fashioned executive prescribes "thrift and industry" to restore America to prosperity, which is its normal state.

In this fast-growing country, each recession is largely a temporary corrective measure, which merely interrupts the forward movement toward great economic accomplishment. Statisticians

call this basic growth factor in American business the "secular trend." It is estimated that it is normal for business to set new high records in each prosperous year.

Though faith in the future is justified, the executive has little to gain in shutting his eyes to the special problems incidental to economic transition. This will be a year in which there will be a premium on economic brains and discernment—in the business world as well as in the stock market. Before the debacle, mere recklessness won temporary high rewards. Now discrimination and the power of analysis are quoted above par once again.

SIGN of returning business normalcy:

Henry Ford recently left Dearborn, Mich., for a month's vacation in Florida.

A TIP to Wall Street security analysts:

Go back to William James, the pragmatic philosopher, who with infinite wisdom once remarked that when theory and common observation conflict, follow the dictates of common sense because the theory may be wrong.

Statisticians as a class have too much faith in formulae which are only half proven. They have an undue faith in figures which represent only an official version of past performances. Corporate welfare is a living thing, which cannot be measured wholly by past statistics. Stock prices reflect future



San Francisco's New Stock Exchange Building

GARRET MOULIN



KEYSTONE VIEW

Ralph Stackpole, sculptor, at work on the granite group over the entrance

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prospects as well as past history. Contact with executives is necessary to get a rounded picture of a company's position.

THE EVIL in connection with hiding assets and earnings is that the policy encourages outsiders to exaggerate the true position in times of emotional bull markets and to accept the figures as literally true in times of public pessimism.

Unquestionably, the fashion of balance sheets and income accounts, which conceal rather than reveal, give the insider an undue advantage over the outside stockholder. As a matter of fact, the head of one of the principal investment banking houses in Wall Street once told me, while in a confidential mood, that the chief advantage of being an insider was in knowing in which figures to have confidence.

To take a realistic view of the current state of corporate accounting, it is regarded almost as a sign of suspicion if a company goes out of its way to show fully assets and earnings. It leads to the belief that the insiders may be trying to liquidate their stock. On the other hand, if they ingeniously tuck away items, holding back part of the good news, it is considered a sign that the insiders are satisfied, and want to maintain their ownership stake in the company.

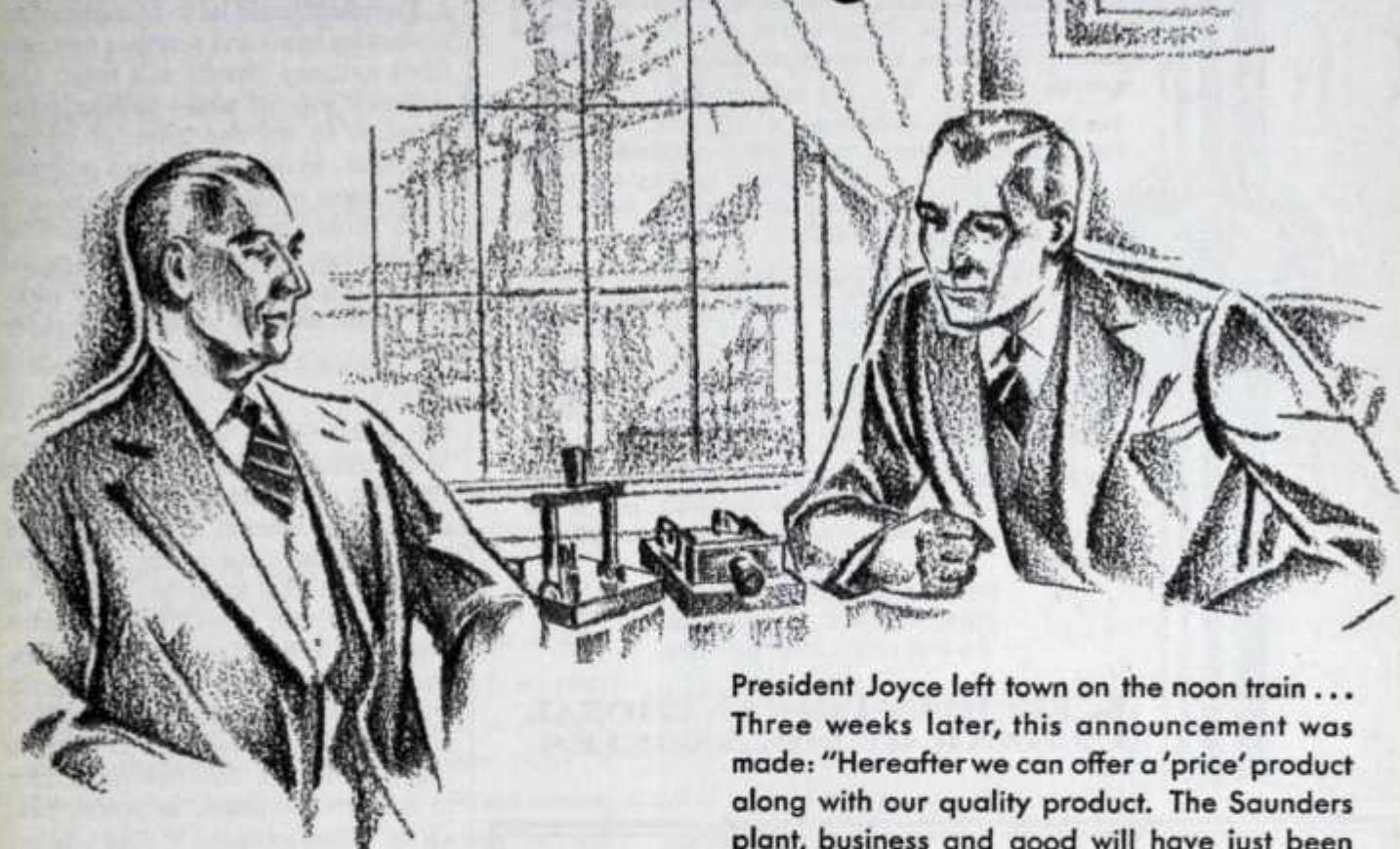
As indicative of how some responsible managers of big business feel about these matters, I recall a significant conversation with E. J. Cornish, the sagacious president of the well-managed National Lead Company. Incidentally, Mr. Cornish has no sympathy with anything that smacks of stock jobbery; he runs his company as the attorney for the permanent investors in it.

"I am my stockholders' keeper," Mr. Cornish told me. "I am interested especially in stockholders who intend to remain with the company, rather than those who are merely looking for an opportunity to sell out at a profit. I am concerned with stockholders who are coming into the company, rather than with those who are going out."

"I particularly like the preferred stockholders, who are real permanent investors, anxious to back the wise policies of management, and am opposed to the prevailing custom of getting rid of preferred stockholders through the redemption privilege as soon as the company no longer needs them."

THOUGH as an observer of the behavior of corporations, I recognize and

"Certainly ours is better—Sure! but Saunders is taking the business"



JOYCE & CO. had for years been making a line of electrical equipment. Then, along came the Saunders people, making a line of similar products, just about half as good, and selling them for about three-fourths as much.

For a long time the President refused to be disturbed. It was Dave Cooper who finally convinced him that although the Joyce products were a better value, the Saunders people were getting more than their share of the business. Good or bad, the Saunders line was selling.

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President Joyce left town on the noon train... Three weeks later, this announcement was made: "Hereafter we can offer a 'price' product along with our quality product. The Saunders plant, business and good will have just been acquired by us through outright purchase."

Like President Joyce, many a corporation head may not at the outset clearly recognize all the purposes which his company's investment reserves may ultimately serve. But, whatever this need turns out to be—regardless, even, of whether or not serious need ever actually arises—sound, adequate, well-designed investment reserves are essential to a conservative financial policy.

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and Detroit Stock Exchanges and the New York Curb Exchange

concede that some of the best managed enterprises regularly conceal earnings and assets, I think the practice is an abuse, and would like to see business voluntarily regulate itself in this regard, rather than wait for hostile outside regulation.

The ideal should be so to standardize accounting terms and practices that certified company reports will reflect the authentic state of affairs without exaggeration, on the one hand, or understatement, on the other. Such a program would come as the zephyrs of spring to Wall Street, and would free outside stockholders from the temptation to listen to gossip and rumor, instead of sticking to an analysis of company statements.

SIR Josiah Stamp, one of the directors of the Bank of England, in "Current Problems in Finance and Government," in which he referred to the practice of hiding earnings and assets, remarked:

"Our modern fetish of a 'safe' or 'sound' balance sheet lies in almost every line and yet is approved professionally because it overstates no assets and understates no liabilities, while it has valuable premises written down to negligible figures and reserves hidden in innumerable places, or profits 'held up' or 'tucked away.'

"The truth, the whole truth, and nothing but the truth' cannot be derived from the modern balance sheet so vaunted for its prudence; but prudence is just as possible without departing from what a balance sheet ought to be—a faithful record of the employment of the total capital invested in the business, whether as an original outlay or retained profits, from which the true rate of profit on invested capital can be determined."

Unsatisfactory as American corporate performance may be, it is on the whole vastly superior to that of foreign companies. On the continent it is taken for granted that companies will hide their true position. In Germany, it is common practice for companies to report only a little more earning than the dividend requirements. The desire to evade taxes is a motive there. In France, the great banks and industrials carry their assets at nominal figures. In England, the investor, who is primarily in quest of income, is much more concerned with dividends than reported net income.

As a matter of fact, some American corporate executives, who sit on numerous boards of directors, frankly assert that even over here dividends are more significant than reported earning, holding that the pressure on directors is such

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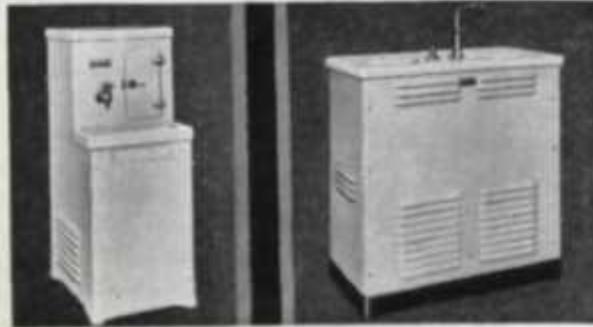
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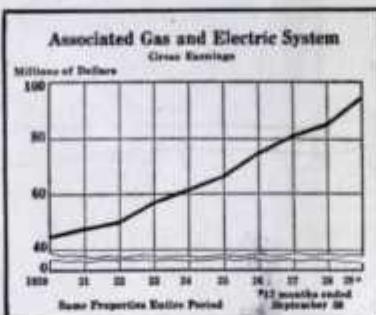
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All available records since the beginning of the industry show an uninterrupted year-to-year increase in gross earnings.

Even during the severe depression of 1921 when the volume of manufactures in the United States declined 32% below 1920, the gross earnings of the electric industry increased 7% over 1920.

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that they declare all the dividends that they safely can.

A footnote should be added to this observation. The tax situation in the United States has changed the true meaning of dividends as an index to corporate progress. Though dividends are free from the normal income tax, they are subject to surtaxes. Accordingly, wealthy and influential stockholders, subject to high taxes, prefer relatively small dividends, letting earnings accumulate in corporate treasuries.

Knowing this, politicians have long clamored for punitive taxes for undue corporate surpluses, but such remedies would probably be worse than the disease, inasmuch as it is a matter of conjecture when a surplus becomes larger than needed. The recent business transition has been enormously facilitated by the fact that the great corporations were unprecedentedly rich in cash, and were able to tide over the recession.

HAVING analyzed balance sheets and income accounts for more than 30 years, Hartley Withers, brilliant English economist and former adviser to the British Treasury, takes a hard-boiled view of the subject. In his latest book, "Hints about Investments," he says:

"What is the practical conclusion to be drawn by the investor? It seems to me to be this, that since the value placed on most of the assets of a balance-sheet is, to a great extent, a matter that can only be guessed at, and is actually arrived at by the opinion of the board of directors, the most important asset that a company can possess, after, and perhaps even before, the technical efficiency in production that its business requires, is an honest and prudent board.

"Fortunately this asset is possessed by the great majority of companies, because without it they would very soon perish. But there are degrees, and the personality of the board and the traditions under which they conduct what may be called the balance-sheet side of the business is not only of the highest importance, but is also a matter on which the ordinary investor is likely to have even less information than upon the conditions and prospects of any enterprise in which he is interested."

In other words, with industrial accounting what it is today, the investor must follow men in making investments, rather than mere items on the financial statements.

OUTSTANDING bankers, who like to lecture business men on how to conduct

The economic value of Investment Companies



DECORATIONS BY ROCKWELL KENT

CUT IN WOOD BY J. J. LANKES

INVESTMENT companies such as those in the American Founders group must justify their existence by achieving better-than-average results in periods of depression as well as in times of inflation.

The funds contributed by the debenture owners and shareholders are invested and managed with a view to obtaining the highest income consistent with safety—to achieve in "good times" above the average yield and appreciation, and in "bad times" to experience less than an average shrinkage in earnings and market values.

A high average rate of gross earnings of all the five companies in the

American Founders group has been maintained since the oldest was formed in 1921. Interest and dividends have provided the basic income, while profits from sale of investments have been greater in some years than in others. In 1929 income from the latter source was unusually large.

From the total income the expenses, taxes and debenture interest are paid, reserves and surplus are built up and dividends are distributed to the stockholders. This unified management of the combined funds of many is devised to afford greater safety and income than the average man obtains through his individual operations.

American Founders Corporation, now controlling the other four companies, has consolidated resources exceeding \$200,000,000. Copies of the consolidated annual report for the fiscal year 1929 may be obtained from bankers and security dealers or from Founders General Corporation, 50 Pine Street, New York City.

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AMERICAN FOUNDERS CORPORATION

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If you are waiting for the right time to invest *.. how will you know when it comes?*

Some people who have funds for investment believe that they will be able to invest them to better advantage in the future. They believe that they will be able to buy bonds and stocks at lower prices. But how will these people know when securities have reached their absolute lows and are ready to start upward? Experience indicates that most buying is done after the rise has been under way for some time and the benefit of very low prices is largely gone.

This much is clear—over a period of time, good bonds will yield considerably less than they yield right now. Common stocks of strong corporations will yield less and be worth more than they are selling for at this time. Possibly prices may go lower some time in the near future, but most people will not buy securities at their absolute lows. Those who wait will lose income and an opportunity that is apparent to everyone.

If you have money to invest, place it now in high grade securities giving a good return. Your capital will be well employed and will increase over a period of time.

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themselves, hardly set a good example in their own annual reports. In the case of the large New York banks, the element which imparts speculative lure to their stocks is their security affiliates, the details concerning whose success or failure are never fully disclosed. One very large bank reports only the dividends paid by the security affiliate.

One of the most successful banks in the country, whose security affiliate was one of the first to be formed, recently issued an annual report which is a model of brevity and is noteworthy for the data which it omits. It consists only of the subjoined items:

Net income and	
profits.....	\$6,366,501.71
Dividends.....	8,000,000.00
From surplus.....	1,633,498.29

As long as the company publishes such a report, the stock remains more or less a cat in the bag—though doubtless a valuable and superior cat. Such a policy inevitably makes the stock a mystery stock, though of course there are very real values behind the mystery.

Instead of such a sparse statement, the intelligent stockholder, who is a part owner of the venture, would want to know what percentage of income and profits came from dividends and interest, and what proportions from capital appreciation and what part from realized trading profits. He also would like to know what securities are in the portfolio, and on what price basis they have been inventoried.

♦

MISCHA APPELBAUM, who founded the Humanitarian Cult which flourished in New York until after the war, has now turned his talent to sales promotion.

Apparently when an idealist becomes disillusioned, he becomes a sales genius. The salesman accepts human nature as it is.

♦

WHAT DOES the public want?

The answer depends on which public you select. There are many publics in the United States. An editor of a national magazine of mass circulation, which serves the great miscellaneous multitudes that one would expect to meet at random on the street, said that his public misses abstract generalizations, and can grasp only concrete anecdotes. He said that it responds only to tangible situations, which you could photograph with a camera.

In other words, it could visualize a boss kissing his stenographer, but could not conjure up in its mind's eye "the

secular trend." In actual experience, rubbing elbows with elevator operators, janitors, typists and sales clerks, one meets a public more acute than the tabloid editor seems to count on.

UNQUESTIONABLY, this is coming to be to an increasing extent the era of big business and the hired man. One executive, who recently withdrew from a smaller business, in which he had a substantial financial stake, disclosed his motives in switching over as a hired man of a big corporation. He said he was making as much money, and had better long-term prospects in his new post. Moreover, he was able to withdraw his capital, and set it to work for him in outside investments, giving him better diversification.

In the new setup, as a result of business adversity, he will not lose his salary and his income from investments at the same time. Moreover, the new concern has better channels toward which he can direct his specialized talents.

Strangely enough, this individual feels that he has greater, rather than less freedom, as a hired man. In his new place, he is judged solely by results. When he chooses he can work at his country home. When he was in business for himself, his partners would have thought he was laying down on the job if he had failed to report to the office every working day.

Moreover, while on his own, he was distracted unduly from his own special field by extraneous duties and responsibilities. Now he does his allotted task to the best of his ability and lets others worry about the other problems.

OF LATE business men and politicians have had much to say concerning the feasibility of modifying the business cycle. What do economists, who have specialized on this subject, think?

Carl Snyder, statistician of the Federal Reserve Bank of New York, believes that the key to proper credit policy is in increasing the volume of credit each year at the same rate as the average increase in trade—about four per cent. Too much or too little credit, he points out, is dangerous.

"It seems clear," Mr. Snyder says, "that no kind of bank policy could undertake indefinitely to maintain an excessive degree of speculative building, or a corresponding activity of motor-car industry, any more than it could undertake to maintain a certain price for stocks, or wheat, or cotton, or pig iron, or, I should like to add, any



Actual photograph of New York's financial district, showing predominant position of The Manhattan Company Building
Starrett Built — Starrett Owned

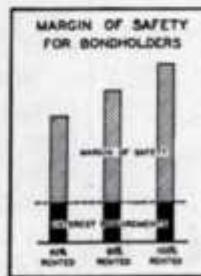
The Manhattan Company Building Securing an Attractive 6% Investment

A GIANT among giants, The Manhattan Company Building towers high above the downtown New York skyline, one hundred and twenty feet higher than the Woolworth Tower.

Strategically located in the heart of the Wall Street financial district this 70 story building will be one of the outstanding commercial structures of the world. It is 925 feet high and contains 63 stories of office space, seven additional pent house floors and two basements. Its tenants will include many of America's oldest and most distinguished banking, investment and law firms.

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This wide margin of safety will be increased still further through the operation of a quarterly Sinking Fund, beginning November 1st, 1930, sufficient to retire all of these Bonds at or before maturity.



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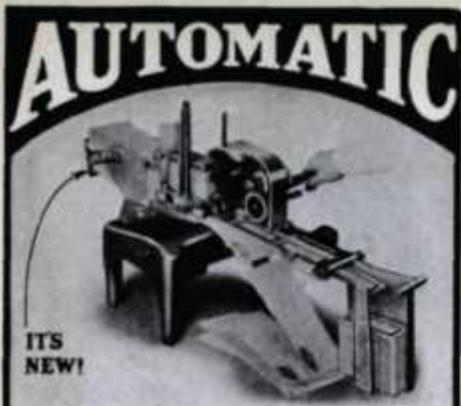
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FOR an accurate barometer of business conditions see the Map of the Nation's Business on page 50.

fixed level of commodity prices at wholesale.

"Indexes of commodity prices are essentially international price indexes, the larger part of whose components are inevitably affected by every variety of influence, and cannot conceivably, therefore, be closely responsive to credit conditions or monetary policies of any single country, even of a country so fabulously rich and occupying so commanding a position in the world's industry as our United States.

"But it seems to me that this new knowledge derived from the measurements which have recently been devised does indicate that we might perhaps, without great difficulty, maintain a high degree of business stability, taking business as a whole, and therefore of employment and social welfare. If these changes are correct, this would in turn carry with it increasing stability of the general level of prices, or average purchasing power of money. And all of this would inevitably relieve business and industry from its old-time and still existent dread and fear of financial and monetary concussions; and thus give the freest rein to the advance of technology, discovery and improvement in management."

MR. SNYDER also deals precisely with another question which has puzzled the business man, namely, why banking has become increasingly important in recent times.

"In the early days of the republic," the statistician explained, "when there were no railways and no canals and few roads, and the exchange of goods was mainly by waterways, the total of trade was absurdly small. The great bulk of goods was consumed very near to the place of their production.

"When 90 per cent or more of the population lived on farms or plantations, and only ten per cent in cities no larger than Stamford, Conn., or New Rochelle, N. Y., there was little need for bank credits; and there were practically no banks.

"Now, we have pretty clear evidence that credit expansion must go at least as rapidly as the growth of trade; that is, at about four per cent per year. Otherwise, there seems a definite check to trade and to prosperity.

"But we seem likewise to have clear evidence that there is a sharp limitation to the beneficial effects of credit expansion, and precisely as we should expect to find it, *viz.*, that whenever prosperity has reached the practical working maximum of employment for any given

period, further credit expansion can only bring about undue speculative activity, and even mania, rising prices, and all the familiar ills attendant upon inflation or monetary depreciation. The gambler and the speculator thrive at the expense of the rest of the community."

THE SOUTH, especially the Southeast, expects to escape from the current economic transition with few scars. Ronald Ransom, former head of the Atlanta Clearing House, and vice president of the Fulton National Bank of Atlanta, informed me:

"Gov. Eugene R. Black of the Federal Reserve Bank of Atlanta recently expressed the opinion that our section was perhaps less affected by the stock-market collapse of last fall than any other section and that our business conditions are in better shape than in some time.

"All this indicates that the financial situation is satisfactory. There are good reasons to believe that 1930 will be the largest in the city's history."

THE SPIRIT of venturesomeness, which was paralyzed by the Wall Street panic, has begun slowly to reassert itself. Merger discussions, for example, have been resumed. New plans for group banking have been announced. For example:

T. R. Preston, former president of the American Bankers Association and head of the Hamilton National Bank, of Chattanooga, has organized a new bank group in his territory under the name of Hamilton Associates.

The First National Bank of Atlanta is heading another group in the Southeast.

R. Goodwin Rhett, of Charleston, is setting up a group in South Carolina.

In the Middle West, an important group is forming around the National Bank of the Republic, of Chicago. George Woodruff will head the National Republic Bank Corporation, which will control 12 banks and security affiliates with aggregate resources of \$250,000,000. Ultimately, the bank group expects to include banks outside of Chicago.

Another group is being organized in Columbus, Ohio.

Of the established group, the Northwest Bancorporation, of Minneapolis, has been adding new units. It now dominates 87 banks, with total resources of \$464,000,000. E. W. Decker is the moving spirit. Another important group in the Northwest is the Wisconsin Bank Shares Corporation of Milwaukee, which is headed by Walter Kasten, and which has 13 affiliated banks.

THROUGH THE



EDITOR'S SPECS

TOO often, those friendly critics among our readers who delight in spotting errors in the printed page—and calling them to our attention—are all too correct in their premises. We can perhaps be pardoned, then, for experiencing a certain exaltation of spirit on those occasions when we can stand by our guns, and answer shot for shot. As in this case:

GENTLEMEN:

Some one once asked a pious old lady if Sodom and Gomorrah were married and she replied that while she didn't know, she guessed that if they weren't that they had oughter be.

And that old story came to my mind when I noted on page 14 of your December number that the writer called Ecclesiastes, "he."

I am wondering how many letters of this sort you have received and if the writers are willing to be bribed, as I am, by a year's subscription, to keep quiet about it.

To which the editors made reply, as follows:

In reply to your pleasant letter let me ask that you read the first verse of the first chapter of the book of Ecclesiastes, in justification of our calling the author "he."

And the following reply came back:

Your favor of yesterday is at hand. My letter was written on the strength of my own knowledge (?) plus what the dictionary told me. It was not intended to be mailed till I had taken a look at the Bible of which a copy—shameful confession—was not immediately accessible.

I needed only to look at the title, didn't even have to read the first verse, to be reminded that a little knowledge is a dangerous thing.

But, inadvertently, the letter had been mailed and I find myself hoisted by my own petard, or boomeranged, so to

FOR INDIVIDUAL AND INSTITUTIONAL INVESTORS

Every investment account, whether made up entirely of fixed interest-bearing securities or including a proportion of equity issues, should have a foundation of high-grade bonds. Government, State, Municipal and the best Corporation bonds are the recognized media for the conservation of capital, and are just as suitable investments for individuals as for savings banks, insurance companies and other institutions.

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Sod in six weeks. A rich, velvety stretch of lawn that chokes out weeds before they can grow! A deep, thick, uniform turf that's everlasting and that makes your home a beauty spot.

The New Super-Lawn

Instead of sowing seed, you plant stems of the plumped grass—and in a few weeks you have a luxuriant lawn like the deep green pile of a Turkish carpet. Read all about this unusual grass in our illustrated booklet "Bent Lawns." Mailed on request.

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Time Systems Are En-
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This advertisement appears regularly in leading magazines to keep the name of this Company before you. Write for information.

IF Business Executives were to outline the ideal conditions that should surround a center for manufacture and distribution, they would find no city in the United States that offers more advantages than ST. LOUIS...The Nation's Center. Here to serve the great industries in St. Louis and surrounding territory, is one of the great banks of the Nation...The First National Bank, St. Louis' Largest Bank.

Our book "From Laclede to Lindbergh and Forward" will be sent upon request. It explains major factors for greater profits on your output. Address, Advertising Department.

FIRST NATIONAL BANK
ST. LOUIS' LARGEST BANK

speak. He is a poor sport who can't take a joke when it is on himself but I am human enough to think it is funnier when on the other fellow.

♦ Two Views

GENTLEMEN:

Referring to yours of October 24 enclosing statement for three-year subscription to NATION'S BUSINESS, I received your October, November and December copies, and in looking over the October number, it comes to my mind that this is the poorest magazine I have ever seen.

I want to return these copies and cancel my subscription, as it is a waste of time to look at such a periodical as there is nothing in it.

If you want me to, I will pay for the three numbers I have had, or return them, whichever you prefer.

A. B. THOMAS

North Star Strawboard Mills
Quincy, Ill.

GENTLEMEN:

I believe that if a man would read NATION'S BUSINESS for several years he would have a business education. I enjoy it very much and value it a thousand times more than the price.

R. L. PARKER

Insurance, Real Estate
Toyah, Texas

♦ Ford Critic

GENTLEMEN:

On page 14 of the January NATION'S BUSINESS, I note that the final editorial deals with "High Wages and Prosperity," and is especially a reference to Henry Ford's announcement following the Conference of Industrial Leaders.

Roughly figuring what this reduction would amount to, it will show a reduction in the dealer's profit on the average Ford car, of approximately \$20. It is very easy to see where Mr. Ford expects to get the wherewithal to pay his workmen higher wages; \$10 to the workmen and \$10 to Mr. Ford's already expanded surplus, all of which comes out of the profit of the men who take Mr. Ford's products and distribute them at a percentage rate of profit that is certainly below the overhead cost of doing business under the dictated plan forced on them by the Ford Motor Company's policy towards its retail agents.

I would suggest that the United States Chamber of Commerce secure a list from the Ford Motor Company of their agents; address a letter to each of

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80 Washburn Ave., Cambridge, Mass.



these and ask him whether this great friend of mankind who, to quote from your own words, "has his eyes on the stars and his feet on the ground," has done anything to help his dealers. Ask him another question as to the number of times announcements of great changes in Ford policies have been uttered to the open-mouthed world, and if and when these same dealers have obtained a profit by the suddenly announced changes.

Or have they lost at every turn of events, so deftly and widely announced as done for the benefit of humanity?

Then may I suggest that you advise Mr. Ford to get his eyes turned toward the ground and raise his feet off the prone finances of his agents; let the Ghost Writers then chant their praises, modified in tone, to the balance of the plus or minus quality of the action of this great friend of the people; publish a consensus of this information and I will bet my baby girl against Ford's cash on hand account that public opinion will be able then to make a proper judgment in the case.

Yours sincerely,

CHARLES L. SCHWARTZ

*The Lee Hardware Co.
Salina, Kan.*

• "John Bull"

GENTLEMEN:

I have read an article by Mr. William Feather in NATION'S BUSINESS, in which appears the following:

"We have gone far beyond the press of the older countries. The popular newspapers in England seemed pathetically inadequate. Weeklies such as *John Bull* contain little substance."

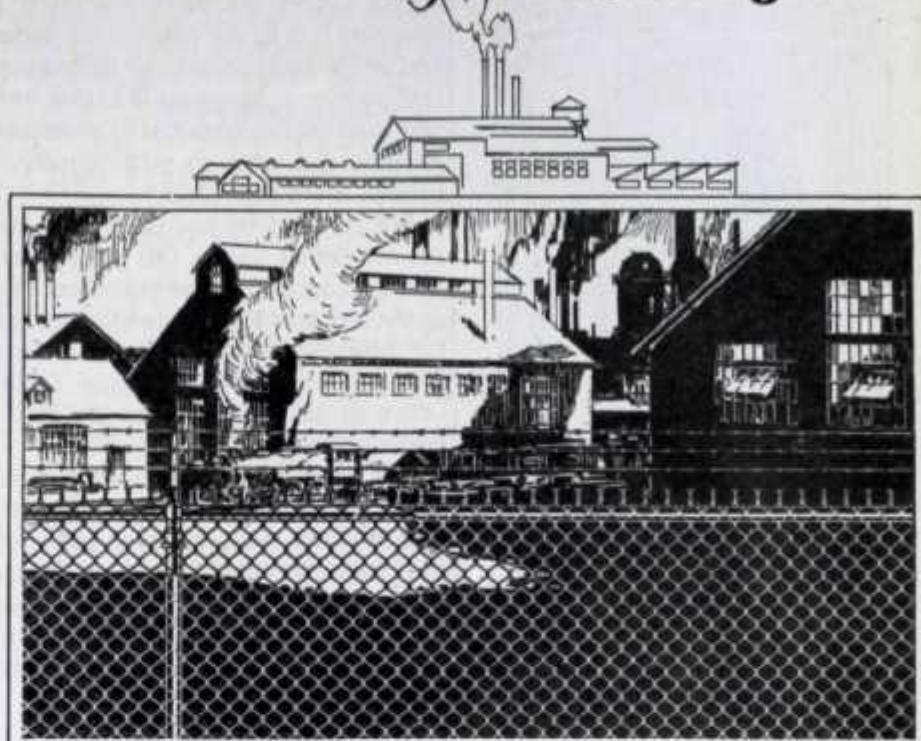
Mr. Feather's comment is unfair to the British Press generally, and absurd as it affects the paper which I have the privilege to edit. While British pressmen have the greatest admiration for the manner in which American periodicals of the class of NATION'S BUSINESS are produced, we do not admit that American papers contain, on the average, better reading matter than those published in our country.

You have certainly advanced further in the matter of colour printing, but not editorially.

You have no newspaper, for example, to compare with the *Times*, and our popular daily press is admittedly best in the world.

To come to the weekly press, Mr. Feather is surely unfortunate in his choice of *John Bull* as the awful example. We have a far bigger circulation than any other mid-weekly journal in

NOW A CHAIN-LINK FENCE by Pittsburgh



A Product of 29 Years . . . of FENCE-MAKING EXPERIENCE

The most modern chain-link fence-manufacturing equipment installed in the most modern of mills . . . a few weeks of careful adjustment . . . then roll after roll of perfect chain-link fence.

Easy? Yes! But made possible only by our years of experience in every detail of wire manufacture, from ore to finished wire for every purpose. For 29 years the Pittsburgh Steel Company has been making steel wire fence. For 29 years . . . a business generation . . . we have been gathering the experience that goes into the making of Pittsburgh Chain-Link Fence.

Made of copper-bearing basic open-hearth steel wire and woven into a substantial fabric, it is as fine a fence as modern industrial methods can make; the toughest kind of a barrier, certain to resist the ravages of time and use.

Erection service is available at any time and any place. Write to us for descriptive literature.



Pittsburgh Steel Co.

732 Union Trust Bldg.



Pittsburgh, Penna.

Pittsburgh Fence

CHAIN-LINK TYPE

When writing to PITTSBURGH STEEL CO. please mention Nation's Business

A TRIBUTE TO A
MAKER OF
AMERICAN BUSINESS PRINCIPLES



BYRON WESTON, a Massachusetts leader of men in both military and civic affairs, laid the foundation of the company bearing his name on the base-rock fact that a product should be the best possible to make and then bear his mark to prove his faith in it.

And a Word of Appreciation
to the Executive of Today

TODAY, after three-quarters of a century of constant performance on this sound basis, Weston's papers are the nation-wide choice of county recorders, state and government officials and leading executives of the nation.

Each Weston paper bears a watermark—each has a definite purpose to perform:

BYRON WESTON CO. LINEN RECORD
Is used where ONLY THE BEST will serve
Records Deeds and Wills Policies Stationery
Minute Books Ledgers Maps

WAVERLY LEDGER is used where
QUALITY AND COST ARE FACTORS
Blank Books Ruled Forms Pass Books Drafts
Stationery Legal Blanks Diplomas

CENTENNIAL LEDGER is used
where a GENERAL UTILITY PAPER is required
Ruled Forms Broadsides Accounting Forms
Stationery Pass Books Legal Blanks

FLEXO LEDGER is used where a
FLAT LYING LOOSE LEAF sheet is desired
For High Grade Loose Leaf Ledger Sheets and
Special Ruled Forms

TYPACOUNT LEDGER is used in quality
forms for MACHINE POSTING purposes
Made to Meet the Most Exacting Requirements
for Machine Bookkeeping, Ledger and
Statement Forms

**WESTON'S MACHINE POSTING
LEADER**
A grade below Typacount—But Made to the
Same Exacting WESTON Standard

DEFIANCE BOND is used where a
quality bond OF HIGHEST CHARACTER counts
Stationery Policies Contracts Trust Deeds
Stock and Bond Certificates Ring Book Sheets

If you are not familiar with the complete Weston line,
please send for samples.

BYRON WESTON COMPANY

A family of paper makers for nearly
three-quarters of a century

Leaders in Ledger Papers

DALTON, MASS., U. S. A.

Britain. Our certified weekly net sales are over 1,300,000 copies.

There is, in fact, no other paper of its class in any country which has so successfully reached the public it is out to reach.

Our figures are striking when it is considered that we publish no fiction and comic supplements, nor indeed anything whose main appeal is to that wide and easy public composed of tired adolescents, and what in your country, I believe, are called "saps."

We are read by the plain man and his wife, of all classes. Our contributors include some of the most prominent men in the country. The Prime Minister and the principal members of the present Cabinet wrote for us before taking office, as did their predecessors in the Conservative Government.

Our popularity is based on our absolute independence, and on the fact that we fear none, however powerful. We have bitter enemies, but many more friends, and I hope that we may include yourself, and your for-once-mistaken contributor, Mr. Feather, among the latter.

Yours sincerely,
J. RAMAGE JARVIE
Editor

John Bull
London

• On Poverty

GENTLEMEN:

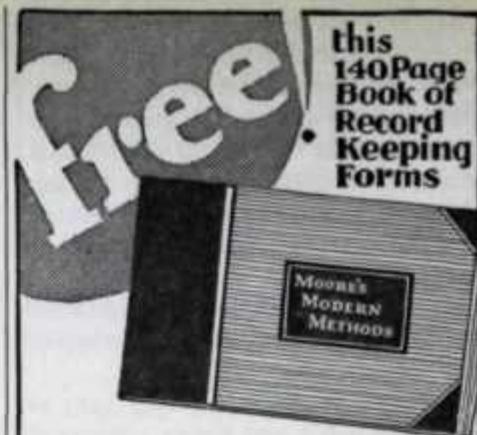
I brought your magazine home this evening from the office library to read. One of the first things I saw was a little article on page 25, signed by Merle Thorpe, on the subject, "When Henry Ford Thinks Aloud." In the first paragraph of this little squib, I find these words:

"We talked of many things—of poverty and its ultimate abolition;—"

My dear sir, I am going to be "that Saunders fellow" just once. Poverty will never be abolished. The average man is too inadequate to fight the game of life. All people are not equal.

I am thinking of the fellows who think they are going to the right goal, but too often are like that football player out in California who went to the wrong one.

I just wanted to get that off my chest. It doesn't make any difference what I say anyway. After all, it is better to be a "Jones Fellow." I don't know whether Mr. Ford thought that poverty would be abolished, or you thought that poverty would be abolished, but believe



HERE'S a book that will help you with your record-keeping problems. Contains wide variety of bite-size Bookkeeping forms, completely filled in, illustrating uses. For office or factory—business or profession—it shows you simplest and most efficient methods of accounting now being used by 300,000 leading firms. Send for your FREE copy today. No obligation!

JOHN C. MOORE CORP., Est. 1839

6063 Stone Street, Rochester, N. Y.

Merely Fill in Coupon and 140-page Book
Will be Sent you FREE

Name _____
Business _____
City _____ State _____



NO DOUBT you've read the opinions of many eminent authorities that manufacturing costs are 10 to 20% lower in the South than elsewhere.

We are prepared to compile for you without cost, the true story of production economies in Western North Carolina, an area of Virgin Locations in Proven Territory.

Please name your product and the volume desired in order that we may render a report of informative value for comparison.

CAROLINA
POWER & LIGHT COMPANY
ROOM NO. 210, INDUSTRIAL BUREAU
RALEIGH, NORTH CAROLINA
OFFICES CENTRAL, CAROLINA AND WESTERN NORTH CAROLINA

For an accurate
barometer of busi-
ness conditions
see the Map of
the NATION'S BUSI-
NESS on page 50.

me it will not be except possibly in such societies as The Amana Society (Amana, Iowa) or in the perfect state of Soviet Russia.

CHARLES NORTON
1015 Montrose Ave.
Chicago, Ill.

• Likes Laut

GENTLEMEN:

Enclosed you will find my check for one year's subscription to NATION'S BUSINESS beginning with the November issue, which I have received and enjoyed.

The article, "What Uncle Sam Got for an Empire," by Agnes C. Laut, alone convinces me that you are right in saying all "thinking" people cannot afford to be without this paper.

H. M. COBB

Freight Traffic Dept.,
Southern Railway System, Atlanta, Ga.

• Sympathy

GENTLEMEN:

Have just read Mr. Paul Montgomery's article on the hotel situation that arose in Topeka, Kans.

You could substitute Fairbault, Minn., instead of Topeka and leave the rest of the article as it is. We have a like situation. Article very interesting. I am just finishing the second hotel here.

GEORGE MURRAY

Brunswick Hotel
Fairbault, Minn.

Proprietor

• Flagler Controversy

GENTLEMEN:

I notice that a number of brother architects have been incensed about a recent article which panned our business; but that is all right. It ought to be panned. Every business ought to be panned regularly, and we have escaped for so long that the public has almost forgotten who is so largely responsible for the present-day development of our large cities.

Coming from the contractors it is especially welcome. For we criticize them quite a bit. For we know that a good percentage of them are doing big business on a shoe string, have been badly trained, and want to continue to do business as it was done in the last generation. After having been awarded a contract, many of them try to have specifications changed to meet what they think they would like; many are dilatory, incompetent buyers, do not know the modern building market as well as they should, are under-educated, etc., etc., etc.

But regardless of anyone's personal



"YES, our insurance is in The CENTRAL. I investigated, as any business man should, and found a clean record of over fifty years of fair and prompt settlement of claims. "CENTRAL is a *mutual* company. Every policy-holder participates in management and profits. CENTRAL'S dividend for the last eight years has been 30%. The Company is unquestionably sound—its policies absolutely good. Their service and counsel have been thoroughly satisfactory and 30% saving is worth while. It's simply good business to insure in The CENTRAL."

If your property is first-class in moral and physical risk, CENTRAL insurance offers you definite advantages. Full information on request.


The CENTRAL
MANUFACTURERS MUTUAL INSURANCE COMPANY
VAN Wert, OHIO

FIRE, AUTOMOBILE AND TORNADO INSURANCE FOR SELECT RISKS

Present Day Industrial Locations Must Offer

LOW MANUFACTURING COSTS
A-1 TRANSPORTATION SERVICE
CENTRAL LOCATION TO MARKETS
GOOD LIVING CONDITIONS

and Carthage Mo.
Meets these Demands

THE history of Carthage manufacturers shows a remarkable growth because of the many advantages here, not to be found, generally, elsewhere.

Manufacturers desiring a change in location or the establishing of a mid-western factory will find that Carthage will meet their requirements. Write for a copy of the Industrial Booklet.

CHAMBER OF COMMERCE

304 Main St. Carthage, Mo.
AN IDEAL INDUSTRIAL CITY



R-S Sanitary Fountains

Get a clear—fresh—healthful drink every time from the Rundle-Spence Vertico-Slant Fountain.

The slight slant stream prevents water from falling back upon the jet. Lips cannot touch the R-S nozzle.

Sanitary Drinking Fountains, Bath and Plumbing Fixtures and Supplies are included in the R-S line.

RUNDLE-SPENCE MFG. CO.
76 Fourth St., Milwaukee, Wisc.

HAUSERMAN MOVABLE STEEL PARTITIONS



Replace it...with movable steel

Every partition is relocated on an average once in every two and one half years. Our service records prove this.

How ridiculous then, to build so called "permanent" walls that must be totally destroyed every time progress calls for relocation of the partitions. Contrast this waste with the Hauserman Method of Partitioning.

Finished Movable Steel Units arrive. Skilled workmen set them in jiffy time. No dust, no dirt, no confusion. There are no delays waiting for the work of different trades to dry. Rearrangement is made with equal despatch and without loss or damage to a single foot of Partition.

Good business principles demand that every time a "permanent" partition is destroyed it be replaced with **Movable Steel**.

HAUSERMAN Partitions are made in five different types and a hundred different finishes. They are adaptable to executive and commercial offices, institutions and factories.

THE E. F. HAUSERMAN CO.
CLEVELAND, OHIO

Planning, Sales and
Construction Branches

NEW YORK	WASHINGTON
ST. LOUIS	PHILADELPHIA
DETROIT	NEWARK
BOSTON	HARTFORD
CINCINNATI	BUFFALO
PITTSBURGH	CHICAGO

The E. F. Hauserman Co.
Cleveland, Ohio.

Please send me without obligation
The Hauserman Method of Partitioning

Name
Street
City

NB-3

13 YEARS EXPERIENCE

opinions or grievances, an instrument such as you publish, which goes into the hands of so many men that are important in the business life of the nation, would do not badly persistently to disseminate constructive truths which concern the general construction situation.

Do not be afraid to talk about the building situation. If it needs panning, pan it.

GEORGE ERNST V. BLUMENAUER
Enid, Okla.

• More About Jones

Mr. W. O. SAUNDERS, *Editor*,
Elizabeth City Independent,
Elizabeth City, N. C.

DEAR SIR:

It was my good fortune today to read your article in NATION'S BUSINESS entitled, "Me and that Jones Fellow." I have for years enjoyed things from your pen in *The American* and *Collier's*; so was agreeably surprised to find one of the business magazines publishing a bright thing like that among their (for me) drab and uninteresting contributions.

I am not an oracle nor a prophet nor the son of either; but in my very humble opinion you are exactly right in being yourself, "though the heavens rain fire."

There are many, many citizens of this state, and the nation as well, who love your writings and admire you tremendously; but who have possibly never told you so. There are those who have so told you, and with this letter, I want to join them in giving you the glad hand; telling you that I enjoy your writing and admire you as a man.

REID GILREATH

Southern Public Utilities Company
Charlotte, N. C.

Mr. W. O. SAUNDERS
Elizabeth City, N. C.

DEAR SIR:

I have just finished reading with great deal of pleasure your article in NATION'S BUSINESS about you and Jones and I am trying to figure out just what I have gotten out of this.

It looks to me as though you have made out a pretty good case against yourself, and I am wondering if at the same time you haven't made out a pretty good case against me, although I probably have in a measure followed as nearly as I could a middle course.

You say that Jones gets the cash and you get the thrills, and I am wondering just how far, deep down in your heart, a balance is struck.

After all, isn't life a question of a

compromise and couldn't you have accomplished, in a measure, some of the things that Jones has accomplished, and all of the things that you have accomplished, by compromising on occasion?

L. H. WINDHOLZ

D. Pender Grocery Company
Norfolk, Va.

EDITOR'S NOTE: *The above letters were sent to the editor by Mr. Saunders.*

• For Honest Ads

GENTLEMEN:

"We Quit Playing Tag With Fraud" is well in line with the policy of NATION'S BUSINESS in giving to the business world information about fundamentals. It is a very timely article.

I am naturally deeply interested in the subject, and it is my opinion that the Federal Trade Commission took the proper steps in attempting to solve this very serious problem.

This is a condition which has been of considerable embarrassment to legitimate advertisers. Such conditions as are here complained of have caused much criticism of advertising—and much of it was justified—for we ourselves had not been able to correct the evil, although we had indeed tried.

It was a matter so large that nothing short of a federal power could really be effectual, and I believe the only recourse was to do as the Commission decided.

C. C. YOUNGGREEN
President

Advertising Federation of America
New York City

GENTLEMEN:

Federal Trade Commissioner Humphrey's article, "We Quit Playing Tag With Fraud" is altogether admirable. While some of us, who have been interested for years in the problem of truthful advertising, have been quite aware of the Federal Trade Commission's activities to protect the public, the public has known nothing about it.

The theme of Mr. Humphrey's article has more than ordinary interest to me, because the Bureau of Investigation of the American Medical Association has for years been calling attention to the absurdity of penalizing exploiters of medical frauds and allowing the newspaper and magazine publishers, who furnished the contact between the faker and his victim (and who often made more money out of the advertising than the faker himself did out of his fake), to go scot-free.

ARTHUR J. CRAMP, M. D.
American Medical Association
Chicago



THERE ARE PLENTY of business executives, probably, who take pride in using the same golden oak roll-top desk they started with—and the same letterhead that their shipping clerks use.

But somehow, neither characteristic seems to belong to the present era of American business.

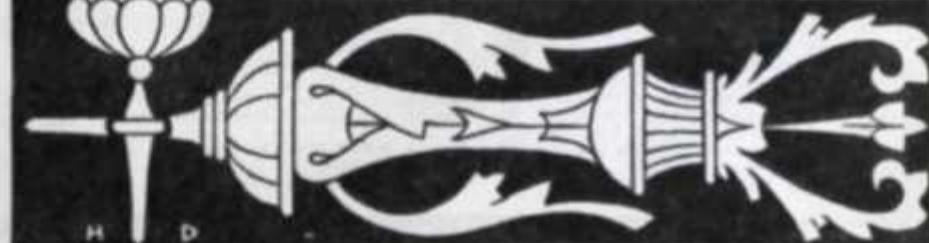
CRANE'S BOND

for Executive letterheads and envelopes

CRANE & CO., Inc. • DALTON, MASS.



Crane's Bond—a 100% new white rag paper—reflects quality and distinction in every fibre. The slight difference in price between Crane's and the usual letterhead is a sound investment in prestige and good will.



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THIS is one of a series of editorials written by leading advertising men on the general subject of "Advertising."

Don't Sell for the Sake of Selling

"We want to sell something," "We want to sell something," "We want to sell something!"

There goes the old college yell of the desk pounding sales manager.—There goes the churchyard bell for a lot of good advertising!

"Eat a lot of cranberries." "Eat more prunes." "Destroy a great mass of spumoni!"

The object of all advertising is to induce the use of something in a practical and pleasant way to the man who consumes it.

The Spanish put it differently—but they make the same point—"The success of a jest lies in the ear of him who hears it, not in the mouth of him who speaks it."

Keep from the public your necessity or your insistence upon getting rid of what you don't want (i.e.—your product) in return for what you do want—money.

Build in your plan all the selling force you want to, that's the place for it. Make it work hard there. Never let your salesmen get out of your sight, without impressing them that "We want to sell something."

But keep that fact a secret from your public. Make your product one the use of which is to be envied, admired, emulated, or reasoned out. Do it easily, gracefully, with no pulling of the punch of logic, no sacrifice of clarity of point.

For the ideal cry is not one lone voice crying out in the wilderness of your factory—"We want to sell something" but the full-throated choir of a nation cheering section chanting in perfect unison—"We want to buy something—We want to buy something—and your product is 'it'."

THOMAS L. L. RYAN, President
Pedlar & Ryan, Inc.

sold!

18% of all american motor cars

30% of one company's baking powder

24% of all american sewing machines

35% of one maker's razor blades

30% of one company's facial cream

44% of all american typewriters and accessories

in foreign markets

For years the principal exports from the United States were foodstuffs and raw materials. Now over 50% of our products sold in foreign markets are manufactured articles.

This trend is indicative of the growing opportunity that exists for the continued expansion of American business. For many products the present problem is one of intensifying activity in those markets where an investment will bring the most immediate return. The countries requiring more intensive cultivation can follow in order of their importance.

● An intimate knowledge of the determining factors can only be ascertained by investigations conducted within each country. The methods to be pursued in developing intelligent promotion must also rest on facts brought to light through local surveys.

Through fifteen main offices and ten sub-offices, covering fifty-eight nations, the J. Walter Thompson Company offers a worldwide system of market analysis and foreign advertising—an organization manned largely by native personnel operating under the direction of Americans. The total population covered by these offices is six times as large as the United States; the per capita buying power is far higher than generally realized.

● Through these foreign offices, the J. Walter Thompson Company offers American business accurate surveys. In advance we can locate markets, determine their importance, and forecast the investment necessary in sales promotion and advertising.

For full information please write us direct at our New York address.

J. Walter Thompson Company

NEW YORK · GRAYBAR BUILDING · 420 LEXINGTON AVENUE

Chicago, Boston, Cincinnati, San Francisco • Montreal, Canada • London, Paris, Madrid,
Berlin, Stockholm, Copenhagen, Antwerp, Warsaw • Alexandria, Egypt; Port Elizabeth, South
Africa • Buenos Aires, Argentina; Sao Paulo, Brazil • Bombay, India • Sydney, Australia

Today— it's Diesel Power for EXCAVATORS



SIXTEEN years ago gasoline-powered excavators were introduced to the public. They proved so efficient that they have now practically replaced the steam shovel.

About six years ago Diesel power was first applied to excavating machines. These engines have proven so dependable and economical that the trend is now distinctly toward the Diesel Excavator.

A Diesel-powered P & H not only saves from 75 to 85 per cent in fuel cost but actually turns out from 10 to 15 per cent more yardage than a gas machine. This is due to its steam-like torque characteristic. The slower the engine goes—the harder it pulls.

To get the lower dirt-moving costs so necessary today, contractors favor the Diesel. They naturally turn to P & H who have played such

an important part in the development and perfection of Diesel-powered excavators. Some of the important firms using P & H Diesel Excavators are:

Foundation Company	Lautaro Nitrate Co.
J. G. White Engineering Corp.	Weyerhaeuser Timber Co.
Ulen & Co.	Foley Bros.
United Fruit Co.	Duke Power Co.
Canal Construction Co.	

If you want more information on this modern form of excavating power, write for details.

HARNISCHFEGER CORPORATION

Established in 1864

3830 National Avenue, Milwaukee, Wisconsin

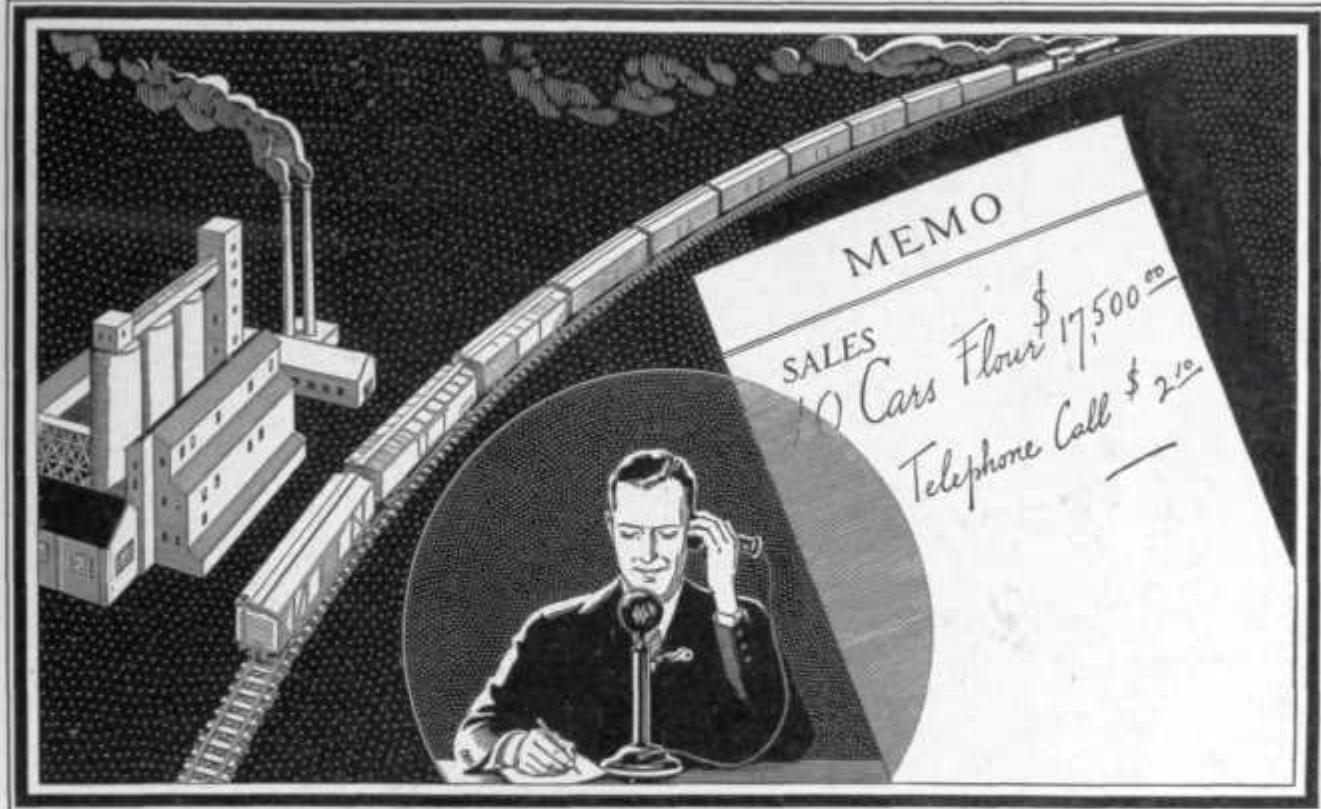
Offices and Agents in Principal Cities

WAREHOUSES AND SERVICE STATIONS

Hoboken Memphis Jacksonville San Francisco Los Angeles
Seattle Dallas

P & H Diesel EXCAVATORS

He Closed a sale for 10 carloads of flour by Telephone



THE SALES MANAGER of a Columbus, Ohio, flour company placed a telephone call to a customer in Roanoke, Virginia. In less than four minutes he sold ten carloads of flour valued at \$17,500. Cost of call, \$2.10. In one month the telephone expenditure for the company was \$65 and brought in orders for approximately \$300,000 worth of flour.

Telephone calls between distant cities are increasing sales for all types of concerns. A coal wholesaler of Abilene, Kansas, sells 90% of his tonnage by telephone, and increases his sales each year. During the spring storage-taking period, he reaches out by telephone and sells from

twenty to one hundred carloads of coal a day.

Business by telephone is the growing economy today. A Decker, Indiana, fruit company distributes 80% of its volume by telephone. An oil company of New York, Pennsylvania and Ohio does 95% of its annual business—\$3,000,000—over the telephone.

What percentage could you add to your business by telephone contacts? Ask your local Bell Business Office to help you survey your needs. You may be overlooking telephone opportunities for increased business. Bell Telephone Service is . . . *Convenient . . . Economical . . . Universal.*



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